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# THE BRIDGE

OFFICIAL PUBLICATION OF  
THE CREDIT UNION NATIONAL ASSOCIATION



RAIFFEISEN HOUSE, Home of the Credit Union National Association and Its Affiliates

THE WAY TO ECONOMIC BETTERMENT

# The BRIDGE

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FEBRUARY 1939  
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### ADVERTISING RATES ON APPLICATION

All subscriptions received before the fifth of the month start automatically with the issue of the current month; all those received after the fifth of the month start with the following month. We find that we have a large number of address changes. To insure prompt delivery of The BRIDGE, when you change your residence, please send in a post card with your former address as well as your new address. When sending in a single subscription or a group of subscriptions. The BRIDGE would appreciate it if you would mark any renewal subscription conspicuously with the word "Renewal".

## Thanks for the Kind Words; Now Let's Have the Subscriptions

WE have received many letters from all parts of the United States commenting very favorably on the first issue of the revamped Bridge. Of course, these letters are highly encouraging and give us renewed confidence in the ultimate success of the Bridge.

The most stressing problem now confronting the Bridge is that of subscriptions. The bulk of the present circulation is made up of 100 per cent subscriptions at the old rate of 40 cents per year per subscription. The circulation from now on must be based on the new subscription price of \$1.00 per year. Credit unions can hardly be expected to subscribe for all their members at the new increased rate. However, every credit union in the United States can afford to subscribe for all its directors and committee members. If all credit unions would just co-operate to this extent the circulation problem of the Bridge would be solved.

We are, therefore, calling on every credit union, not only in the United States, but also in Canada and the Hawaiian Islands, to help us with this circulation problem. Every director and committee member should receive the Bridge. It will not only help them do a better job in their own particular credit union, but it will also keep them informed with regard to the progress and development of the credit union movement throughout the United States. If your credit union is not now subscribing for all its directors and committee members, we urge that it do so without delay. We need your support and your directors and committee members need the Bridge. Therefore, let's have the subscriptions.

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A MONTHLY MAGAZINE DEVOTED TO THE CREDIT UNION MOVEMENT

# DOING A SWELL JOB IN NOVA SCOTIA

By  
**A. S. MCINTYRE**

THE Coady Credit Union, New Aberdeen, N. S., is one of the greatest aids to the prosperity of 1200 New Aberdeen miners. It is the actualization of a choice illustration of the co-operative credit idea. Led by an enthusiastic Board of Directors it represents the whole-hearted support of the miners of this community of the Extension Movement, introduced to them by its great Maritime leader, Rev. Dr. M. M. Coady.

In the fall of 1932, with the depression imprinting its mark upon this community the cost of living was steadily rising, while the wages of the common people were declining in proportion to this rise. The natural result was a very low standard of living along with its accompanying train of vice, immorality and bitterness toward one's fellowman. In this environment, Dr. Coady, Professor A. B. McDonald and Mr. A. S. McIntyre of the St. Francis Xavier Extension Department began their work.

They organized study clubs—the fundamental step in the development of this new economic system. These clubs are, essentially, to educate the people in the ways of co-operation, but they also have another almost as important function,



Board of Directors and Committee Members of Coady Credit Union

that of establishing a friendly social background. The people of this community were at once attracted to the idea of study clubs. They realized the necessity of education to the success of this movement. For eight months both men and women grouped into study clubs, met in one another's homes and with the aid of literature supplied by the Extension Department, at the end of this period they had a thorough knowledge of the workings of this attractive economic system. Among many of the features one of them in particular appealed to these keen students—the fact that it was a means of helping others while helping themselves.

The organization meeting addressed by Mr. A. B. McDonald and other executive members of the Credit Union movement was a memorable one, both because of the large audience and its remarkable enthusiasm. The Coady Credit Union was opened for business July 28, 1933 (seven days after the organization meeting) taking in 33 members with cash receipts of \$58.86. The

membership doubled in the first month of operation. By September the savings amounted to \$154.61. At this time the Credit Union courageously embarked on a new field—the loaning of the accumulated savings of its members. By the end of June, 1938, there were 952 of the 1200 New Aberdeen miners in the Credit Union.

For these years an annual dividend of five percent has been paid. The present total assets of the enterprise amount to \$39,414.12 of which \$35,791.16 is taken up in share capital. The amount loaned to members from the start has reached \$196,000.00. In these transactions not one single bad loan has been encountered. This money was used in many beneficial ways. With it nineteen new homes have been built, thirteen automobiles purchased, taxes paid, insurance premiums met, members' sons and daughters sent to college, dental and hospital bills paid, clothing and furniture bought at substantial savings. By borrowing from the Credit Union, the Unionists avoid the staggering interest of loan companies, and are able to buy goods at cash prices so by effecting a saving of from fifteen to twenty percent on their purchases.

The growth of business necessitated the building of the Coady Credit Union office. This building valued at \$1,500.00 was built by the voluntary labor of the members and paid for by funds raised through picnics, boat excursions and similar social functions. The directors, committees and five tellers conduct the business of the Credit Union in this modern, conveniently situated office. It is a veritable bee-hive of activity especially from 1:30 to 5:00 p. m. every Saturday—pay day for the miners and the time when they do most of their business. Here one may see some 700 or 800 members coming weekly to deposit on their shares, borrow or repay loans. For the month of April, 1938, receipts reached the peak of \$9,403.27 while \$11,768.06 was dis-



Office of Coady Credit Union built by members



bursed in loans during the same month. From the study club, the Unionist had learned the workings of the Credit Union, from experience he has proved its worth.

As a result of our Credit Union the scene in 1938 is vastly different from that of 1932. The bitter facial expression has changed to a happy smiling countenance, the community has become united socially and there is a great degree of charity among neighbors. Our Credit Union has made for thrift, a greater sense of justice, and above all sobriety. To us it seems that the "purer scheme" predicted by

James Russell Lowell is being devised by our co-operative leaders—

"New times demand new measures and new men;

The world advances and in time outgrows

The laws that in our fathers' day were best;

And doubtless after us some purer scheme

Will be shaped out by wiser men than we

Made wiser by the steady growth of truth."

—James Russell Lowell.

## BROADEST COVERAGE AT LOWEST COST

By EARL RENTFRO

WHILE the Credit Union Movement has been arguing the pros and cons of loan protection, it has produced a service that justifies its membership in this great Credit Union Family.

The CUNA Mutual Society has approached the business of life insurance by adhering to statistical history in that field and at the same time discarding the antiquated machinery that has been a headache to insurance distribution during the past fifty years.

Just as the credit union deals with small items of savings and credit, the CUNA Mutual Society deals with small units of insurance. It is proud to be called the "Dime Store" of the life insurance field. A system geared to a tremendous volume of small unit coverage has resulted in extremely low operating costs which make low rates possible.

An analysis of the AA plan for loan protection along with a comparison of the A and AA plans will illustrate what the Society is driving at.

In the first place the rate for borrowers' insurance, established over the years between 1928 and 1934, was almost uniformly \$08½ per \$100 coverage per month in advance. One company had a rate of \$08 per \$100 and a very few others had rates ranging from \$08½ to \$20 per \$100 coverage per month in advance. A loan of \$100 for twelve months in those days cost the borrower \$102.

But please bear in mind the borrower was repaying his loan in twelve equal monthly installments, therefore, he had coverage for the twelve months period in an amount equal to one-half the original amount of his loan, or \$50. The true rate paid by the borrower was therefore \$2.04 per hundred for one year, or \$20.04

per \$1,000 for coverage that was equivalent to renewable short term insurance. (The Society's rate for 5 year renewable term insurance is \$10.79 at age 42.)

In addition to that some companies persuaded credit union officers to push their particular type of loan protection and rewarded them by allowing them one-half the premiums as commissions. A few such officers still maintain their little insurance business intact by keeping their members in the dark in regard to the fact that the Credit Union Movement has outlawed this practice and has its own service which slashed the rate in half and eliminated commissions. The original rates filed by the Society were \$04½ per \$100 coverage per month in advance, or a true cost of \$5.54 per \$100 for twelve months, or \$10.80 per \$1,000 per year (just \$01 per year higher than the 5 year renewable term rate).

After several months experience it was discovered that the original rate was higher than necessary, as the average age of credit union borrowers was 34.6 years instead of 42 years. The total and permanent disability feature was then added with no additional cost. Our experience shows that total and permanent disability benefits amount to 15% of death benefits, so a new rate without total disability was filed, amounting to \$04 per \$100 per month in advance, or \$4.8 per year, or a true cost of \$9.60 per \$1,000 per year. This new rate had few takers as the disability feature was extremely popular.

Membership in the Society was increasing rapidly, and outstanding coverage climbed by leaps and bounds. The resulting problem in accounting and gradual increasing costs of administration produced the AA or monthly pay-

ment plan. The rate for this coverage was at first fixed at \$8.5 per \$1,000 coverage per month on total unpaid balances paid for by the credit union as an operating expense and not charged to the borrower. The true rate under this plan was \$10.20 per \$1,000 per year, a little less than the selective risk plan formerly used.

Although the AA plan at \$8.5 per \$1,000 per month included total and permanent disability, the rate was then reduced to \$7.75 per \$1,000 per month, or \$9.00 per \$1,000 per year. At the same time a new rate without total and permanent disability was filed amounting to \$6.5 per \$1,000 per month, or \$7.80 per \$1,000 per year. Therefore a comparison of the present rates may be made from the following schedule:

\$04 per \$100 per month in advance equals a true cost of \$9.60 per \$1,000 per year.

\$04½ per \$100 per month in advance equals a true cost of \$10.80 per \$1,000 per year. (Includes total and permanent disability.)

\$7.75 per \$1,000 per month equals a true cost of \$9.00 per \$1,000 per year. (Includes total and permanent disability.)

\$6.5 per \$1,000 per month equals a true cost of \$7.80 per \$1,000 per year.

Now it will be necessary to sharpen up the old pencil, for we are going a little farther.

The rate of \$7.75 per \$1,000 per month on unpaid balances is approximately the same as the rate of \$04 per \$100 per month in advance and includes total and permanent disability benefits. In other words the same amount of money secures 15% more coverage under the AA plan than the selective risk plan at the rate of \$04 per \$100 per month in advance. That is something to think over, as it no doubt explains why over 90% of the credit unions that are members of the Society use the AA plan at the rate of \$7.75 per \$1,000 and also why the membership increase maintains a steady average of three new credit unions every working day. On the other hand, if a credit union does not want to spend so much money and does not care to include the total and permanent disability benefits, it would use the rate of \$6.5 per \$1,000 per month, or \$7.87 per \$1,000 per year. This rate compared with the rate of \$04 per \$100 per month in advance is exactly \$03466 per \$100 per month in advance.

In addition to this the Society is paying a dividend of 8% on net service charges paid in 1938.

\* \* \*

Judge: "Have you ever been in trouble before?"

Gangster: "All I ever did was to rob my kid brother's bank."

Prosecutor: "Your honor, he didn't explain that his kid brother is cashier of the Fifth National."

THE BRIDGE—February, 1939



Edward E. Evans

# MINNESOTA STARTS DRIVE FOR FILENE MEMORIAL

By V. S. PETERSON

Managing Director

**N.** J. PELLETIER, Chairman of the Minnesota Filene Memorial Committee, has announced the opening of the campaign in our state.

**EDWARD A. FILENE**—the founder of the Credit Union Movement in America—not only had the vision of the services Credit Unions could render but systematically spent over a million dollars of his own money in order that we might have the Credit Union. Now Mr. Filene has gone to his great reward. The job of expanding the movement is up to us.

In order that the fine spirit of service to our fellowman—so splendidly exemplified by Mr. Filene—may be kept alive, the Credit Union folks of the nation are going to erect a permanent home for the Credit Union Movement. It will be our national office and will be called **FILENE HOUSE**.

Through the efforts and generosity of Edward A. Filene the Credit Union was brought to us. Now for the first time we have an opportunity to say *thank you* in a practical manner. Let each one of us ask himself—"has the Credit Union helped me?"—If the answer is "Yes" show your appreciation by helping to build Filene House.

Mr. Pelletier's own group, the Minneapolis Postal Employees Credit Union, led out on the drive in this state. In spite of the rush of work in the postal service through the holidays, over 300 pledges had been turned in by the active committee within the Minneapolis Postal, up to January 1st.

The City and County Employees Credit Union, of St. Paul, used the plan of sending pledge cards out with their dividend checks. The story of Edw. E. Evans speaks volumes for the manner in which the Filene Memorial has been received in that group.

When we build **FILENE HOUSE** it will be not only a memorial to the good name of Edward A. Filene but a monument which will express the faith we have in the Credit Union idea and in ourselves.

"This is a rather large pledge, Mr. Evans," said George Feller as he looked up at the smiling countenance of Edw. E. Evans, one of the employees of the Parks and Playgrounds Department of the City of St. Paul, who was standing in front of his desk.

"No it isn't, Mr. Feller, the Credit Union has saved me that amount several times over. Before I learned of the Credit Union and the fine helpful service it renders I had been paying terrible high rates for small loans to Loan Sharks.

"Do you remember the last note you helped me settle through Attorney Parks? I lost my job in 1929 and bor-

rowed \$50 from a loan shark—when Attorney Parks notified them I would no longer pay they had been paid between two and three hundred dollars in interest and according to their records I still owed them \$25.50 on the principal. Just think how much I would have saved if that loan had been made through the Credit Union.

"No sir, Mr. Feller, I'm mighty proud to do my bit. I want to be loyal to my group and help it do the right thing because it has helped me so many times during the past seven years I've been a member."

We believe that Mr. Evans expresses the sentiment of the average credit union member. Down under the skin he is deeply grateful for the various services which his credit union renders to him. Therefore, he is glad to do his bit toward the Filene Memorial Fund.

## Filene Memorial Building Fund Pledge Card

Your Book No. 2060

Date 12/23/1938

To Geo. F. Feller, Treas.

445 City Hall, St. Paul, Minn.

In consideration of the gifts of others, I hereby pledge the sum of \$12.75 to the Filene Memorial Building Fund, to be used for the erection of Filene House as the permanent headquarters of the Credit Union National Association, and as a permanent memorial to the Founder of the Credit Union Movement in America, Edward A. Filene.

I agree to pay my pledge in the manner checked below:

- ☐ in cash.
- ☒ by authorizing herewith the Treasurer of my credit union to withdraw the amount of my pledge from my share or deposit account.
- ☐ by regular savings in my credit union at the rate of \$1.00 per month.

City and County Employees  
Credit Union

12/23/38

Contributor Sign Here.

Do Your Part to Make Another FIRST for Our Credit Union!

Pledge card turned in by Edward E. Evans

# Federal Credit Union

## Bylaws Revised

AFTER MANY MONTHS of study the standard Federal credit union bylaws have been thoroughly overhauled, with many changes calculated to make the operation of a Federal credit union run more smoothly.

The changes, while important, do not reach to the structure of the credit union nor to its general mode of functioning. They simply give the treasurer and other officials more freedom of action and otherwise make the job of running the credit union more enjoyable.

They are the fruit of more than four years of cumulative experience of Federal credit unions, which have frequently found it desirable to make adjustments in their operating rules by changing their bylaws. This process of individual amendment has gone on steadily from the beginning.

### Over 1,000 Approved

Altogether, more than one thousand amendments to separate sections of the standard bylaws have been approved by the Governor of the Farm Credit Administration. As the requests for amendments were analyzed they were found to run strongly towards alteration of certain provisions of the bylaws. These alterations were made the basis for the wholesale revision just concluded. The new bylaws cover practically all of the amendments already granted.

Only a casual reading of the explanation of the changes made, which has been sent to every Federal credit union, is needed to show how helpful to the busy treasurer and the rest of the staff the new provisions will be.

Under the revised bylaws, for example, an assistant treasurer may be appointed with the power of signing checks. The vice president may countersign checks in the absence of the president or his "inability to serve" (instead of disability, as before).

Funds of \$100 or less may be kept for a week before being deposited in a bank. A change fund, as well as a petty cash fund of \$10, is authorized. Requirement of a 5 percent cash reserve is eliminated. With payroll deductions or an approved machine bookkeeping system pass books need not be posted oftener than once in three months.

### May Withdraw Shares

Borrowers and co-makers may withdraw shares in excess of their direct and indirect liability without the credit committee's consent. The board of directors, by two-thirds vote, may amend the by-

laws subject to approval by the Farm Credit Administration.

These changes are typical of the rest. They are intended to make the operation of the credit union far more flexible, and in so doing eliminate the need for a multitude of minor exceptions which the Federal authorities, as matters now stand, have had no choice but to make.

Three copies of the revised bylaws, with concise explanations of the changes from the old bylaws and instructions as to the precise steps to be taken in acting on the revision at the annual meeting, have been sent to each Federal credit union. The new bylaws will be considered in effect for any given credit union as soon as the certificate on the back of one of the copies sent out, properly filled in and signed, is received and approved in the Farm Credit Administration.

\* \* \*

### World-wide

A CREDIT UNION whose business reaches half way around the world is, we should say, covering a lot of territory. The Pan American Airways Miami Employees Federal Credit Union is doing just that, according to J. H. Webb, its clerk, who says that because of the continual shifting of company personnel the credit union treasurer is receiving loan payments from as widely separated points as Rio de Janeiro, Brazil, and Manila, Philippine Islands.

"Can any credit union beat that?" he challenges. "Incidentally we have had practically no delinquencies on the far-away spots. Originally the borrowers

### FRIENDSHIP

*The greatest business in all the world  
Is that of making friends,  
In fact, no business on the street  
Pays bigger dividends.*

*For life is more than stocks and bonds,  
And love than rate per cent;  
And he who gives in friendship's name  
Will reap as he has spent.*

*Life is the great investment,  
And no man lives in vain  
Who guards all of his friendship  
As a miser would his gain.*

*Then give to the world a welcome  
Each day whate'er it sends,  
And may no mortgage e'er foreclose  
Our partnership as friends.*

—ANON.

were either working in, or operating out of, Miami, as this city is the field of our credit union, but due to the aforementioned shifting, our field has expanded to better than half the globe.

"We also receive share deposits from members transferred to Brazil. Our Pacific members, however, usually transfer their membership to the Alameda PAA Federal Credit Union as soon as they conveniently can."—*Cooperative Saving.*

\* \* \*

### Is There a Smaller Credit Union?

IN THE preceding issue of the BRIDGE we issued a call for the smallest credit union from the standpoint of membership. The first to respond to this call was Mr. J. B. Lewis, treasurer of the Kraftile Employees' Credit Union of Niles, Calif. This credit union operates in a group of 55 employees. We believe there are smaller credit unions than this. Let us hear from you.

Mr. Lewis writes us as follows:

"The Kraftile Employees' Credit Union of Niles, California, is a small credit union so far as numerical strength and size of assets is concerned. Our business is measured by the amount of help rendered its members and in this respect we consider we have been most successful.

"At December, 1938, we had 60 members, with assets amounting to \$2,460.43, with 21 borrowers, and only two loans are delinquent in the amount of \$35.00. Since incorporating under a California State Charter in March, 1936, we have made 128 loans totaling \$11,023.00 (with no bad debts), and for practically all the purposes for which credit union loans are supposed to be made, with the exception of real estate loans. We are particularly sold on thrift promotion and most of our members save regularly and some have acquired substantial balances. Total employees of the Kraftile Company at this time number 55. As a result of conscientious efforts at carrying the credit union story to each employee personally by the officers of the credit union, interest is great and a high rate of participation has been obtained, both on the part of borrowers and savers. Our percent of borrowers and savers is nicely balanced and loans generally absorb all of our capital enabling us to carry a "peak" load. Our loans are of course insured under a blanket policy with the Cuna Mutual Society.

"At the end of our first year of business we paid a 3% dividend and 4% the second year and expect to declare a similar dividend for 1938. We were informed by experts that our potential membership was so small that failure was inevitable; however, this has not proved to be correct.

"We believe small groups of people under proper leadership can form credit unions and perform a real service for themselves and associates."



# What About It?

Readers are invited to Submit Questions on any Credit Union Problems and also to give us your frank reaction on the answers, whether you agree or disagree with the Editor.

By TOM DOIG

**First Question** (From New York). Can a co-maker who has five dollars in the Credit Union at the time of the granting of a loan, but for about three months after has saved approximately \$25.00 withdraw from the Credit Union the sum of \$15.00? My answer to that question is that the borrower may withdraw all monies that he may put in the Credit Union after the granting of the loan. If my memory serves me correctly yours is the same?

**Answer.** Under most state laws and regulations unless the borrower has definitely assigned the money in his share account as collateral for the loan and so indicated in his loan application he may withdraw all except one \$5.00 share at any time regardless of whether he has a loan, provided he is not in arrears on his loan, in which case the credit union could refuse to permit him to withdraw from the share account.

The Federal by-laws provide, however, that no member of a credit union who has borrowed from that credit union may withdraw any money from his share account, regardless of whether it was deposited in the share account before or after borrowing from the credit union, without the consent of the credit committee. With the consent of the credit committee he too may withdraw all except one \$5.00 share. We, therefore, recommend that whenever a Federal credit union grants a loan it should imprint on the face of the loan application, possibly with a rubber stamp, the following statement:

"We hereby authorize the borrower or endorser on this note to withdraw from his shares at will."

This statement to be signed by the credit committee. In other words, unless the member is really stating in his loan application that his shares are pledged as collateral for the loan, we think he should be left free to withdraw them.

**Second Question** (From Canada). A member insists that our rate of 1% on the unpaid balance monthly is in excess of 12% per annum. He figures the payment of interest reduces the amount of money which the borrower has the use of. I maintain that method is unfair,

## LEADERSHIP DEMANDS TOLERANCE

*The man who is worthy of being the leader of men will never complain of the stupidity of his helpers, the ingratitude of mankind, nor the unappreciation of the public. These things are all a part of the great game of life, and to meet them and not go down before them in discouragement and defeat, is the final proof of power.*

—ELBERT HUBBARD.

although I use that system when I compare our rates with that charged by loan companies here.

**Answer.** Your member who insists that the rate of 1 per cent interest on the unpaid balance of a loan is in excess of 12 per cent per annum, is wrong. For an example let us take a loan of \$100.00 for ten months to be repaid at the rate of \$10.00 per month plus interest. At the end of the first month the borrower pays \$10.00 plus \$1.00 interest. At the end of the second month he pays \$10.00 and \$.90 interest because he only had the \$90.00 for 9/10 of the loan period. We follow this procedure on down to the last payment. The balance at this point is \$10.00. The borrower pays \$10.00 which pays his loan in full, and \$.10 interest for the use of that \$10.00 for one month. The actual rate the member is paying is 12 per cent, and if he secured a loan for \$100.00 to run ten months and paid 12 per cent simple interest, he would pay \$10.00. In this method, however, he would have the use of the \$100.00 for ten months. In the credit union method he has use of only part of this money for different periods. Hence, he pays interest accordingly. The interest on a \$100.00 loan for ten months to be paid in \$10.00 installments is \$5.50.

\* \* \*

**Third Question** (From Canada). Our society has a membership of 257, assets amounting to over \$15,000.00 and we have loaned in excess of \$20,000.00 to August 31, 1938.

Would you be good enough to advise us in your opinion, suitable remuneration for the treasurer and auditors.

**Answer.** The best method of determining a salary to be paid a treasurer is to take the earnings of the credit union over a twelve-month period, multiply this by 15 per cent or 20 per cent, and the result should be the total to be paid to the treasurer for the year. This amount is divided by twelve to give you the monthly salary. We are not suggesting that you pay your treasurer on a commission basis. It has been our experience that treasurers paid in this manner sooner or later forget that the credit union was organized as a service organization and begin to use it for personal gain. The only reason for using a percentage of the earnings in figuring is to arrive at an amount which would be paid to the treasurer. It may be possible that when you arrive at a figure for his salary it can be raised due to the fact that increased credit union activities will permit this.

\* \* \*

**Fourth Question** (From Pennsylvania). Does 100% subscription of a Credit Union to the BRIDGE mean that every member should be included, or could it mean that each family represented should be included? In most Credit Unions are members of the immediate family of an employee of an industry where a Credit Union is organized may be a member of the Credit Union? Therefore, some families are represented by as high as four memberships. This is the reason for asking the above question.

**Answer.** 100 per cent subscription to the BRIDGE of a credit union means that the BRIDGE is sent to each member, except that in the event there are several members from one household then that household is considered as one subscription.

\* \* \*

**Fifth Question** (From Kansas). I would appreciate the information as to whether the Board of Directors may pass a resolution requiring the Supervisory Committee to audit the books monthly, and also specify the type of audit; or would this need to be a change in the by-laws of the organization?

What control does the Board of Directors have over the Supervisory Committee?

**Answer.** It would be improper for the Board of Directors of a credit union to pass any resolution regulating the actions of the supervisory Committee of the credit union. The Supervisory Committee is elected by the members and responsible to the members.

However, the Supervisory Committee is primarily an auditing committee and it would be entirely proper for the Board of Directors to pass a resolution requesting the Supervisory Committee to audit the credit union's books once a month. Then if the Committee did not act accordingly a similar resolution could be presented to the members at the annual meeting. The Board of Directors has no control over the Supervisory Committee, but neither does the Supervisory Committee have any control over the Board of Directors, except to be sure that the Board in its actions complies with the law and with the by-laws of the credit union.

\* \* \*

#### Sixth Question (From California).

1. As we understand it the duties of the secretary include the collections of notes. In our credit union this duty has been relegated to the credit committee for which they are paid a salary. Particularly is this true of delinquent accounts. We maintain that all collections should be made by the secretary, his assistant or his office force and not by the credit committee, and that the payment of salary for this service is in violation of the rule that the credit committee shall draw no salary. This paying of salaries to the credit committee for collecting delinquents would appear to be a sort of premium to the credit committee to make bad loans in order that they might get the collecting of these accounts. The present credit committee has served for the past two years. The credit committee is honest and hard working but we believe the condition as mentioned above should not exist. Please advise.

2. Is it possible to get any literature from you as to the duties of the various committees, officers, etc., and if so what is the cost?

3. The Supervisory committee made several recommendations for the correction of procedure to the directors but they seem reluctant to act on the same. They agree the recommendations are all right but are very slow to put them into operation. They refer them to the credit committee for action but do not order them put into effect. The supervisory committee has called upon the credit committee for information as to what action has been taken.

**Answer.** In your letter you stated that it is the duty of the secretary to make collections on notes. I am wondering when you refer to a secretary if you do not mean the treasurer, as it is the treasurer's duty to perform this service for the credit union.

I have a copy of the California law before me and Section 18 definitely defines the duties of the credit committee and states that no member of the credit committee shall receive any compensation for his services as a member of such committee. In the approved set of by-laws, Article 6, Section 4, defines the duties of the treasurer and duties of the secretary. Also, I would like to call your attention to Article 7 defining the duties of the credit committee.

You should definitely define the duties of your treasurer as general manager of the credit union receiving payments on shares, repayments on loan, the keeping of the accounts, and all other duties of such an office, which would naturally include collection of loans as the statute specifically states that it is the duty of the credit committee to approve loans of the members. The usual procedure in this case is for the treasurer to submit to the clerk of the credit committee the application for the loan. After this loan is approved, then the matter of collection is up to the treasurer and the Board of Directors.

\* \* \*

#### Seventh Question (From Ohio).

Some question has come up in our credit union as to just what is meant by the term "and members of their immediate families" as used in defining the field of membership of the credit union.

Do you interpret that to mean only those living in the same household?

Or, could a member's mother hold an account in the credit union, although the two did not reside in the same home?

We, of course understand that the mother could not use the credit union as a borrowing agency, but could she become a member and use the savings side of it?

**Answer.** I have your letter of December 13, inquiring regarding what is

#### A RESOLUTION FOR ANY TIME OF YEAR

*Let me be a little kinder,  
Let me be a little blinder  
To the faults of those about me—  
Let me praise a little more.  
Let me be, when I am weary,  
Just a little bit more cheery  
Let me serve a little better  
Those that I am striving for.*

*Let me be a little braver  
When temptation bids me waver,  
Let me strive a little harder  
To be all that I should be.  
Let me be a little meeker  
With the brother who is weaker;  
Let me think more of my neighbor  
And a little less of me.*

—FROM THE O. H. SILKWORM.

meant by the term "and members of their immediate families." This term refers to blood relations who occupy the same household as the credit union member. An individual who lives in a different residence than the member could not properly be regarded as "a member of the immediate family."

\* \* \*

**Eighth Question (From New York).** Have you any advice to give us with regards to loans secured by chattel mortgages on automobiles, radios, washing machines, etc.?

**Answer.** Some credit unions seem to feel that it is improper for a credit union to accept a chattel mortgage as security for a loan, whereas other credit unions rely entirely on chattel mortgages as security and do not accept the endorsement of a note as proper collateral. Either a chattel mortgage or note endorsement is good security for a credit union loan. It is the business of the credit union to reduce the high overhead cost of installment credit. If a member of a credit union, for example, wishes to buy a washing machine, which on the installment basis would cost as indicated \$150 plus 6% interest, and could obtain that machine for \$135 cash, it would be perfectly proper and the duty of the credit union to lend the individual \$135, or the entire cost of the machine, accepting as collateral for the loan either a chattel mortgage on the machine or handle the transaction through a sales contract. This same principle should apply to the purchase of radios, vacuum cleaners, furniture, mechanical refrigeration, etc. According to the latest statistics obtainable, whenever an individual buys anything on the installment plan, except automobiles, he pays an interest rate of at least 20% per annum for the privilege of buying the article on the deferred payment plan. I know of one credit union which for the past seven years has had \$80,000 constantly outstanding on loans to members to finance the purchase of automobiles and this credit union has never had a loss from this type of loan. The rate of interest on these loans should be the usual 1% per month on the unpaid balance.

\* \* \*

#### The Laborer Is Worthy of His Hire

Let's compensate our Treasurer for all the work he's done,  
For Treasurers are worthy of their hire—everyone.  
When the Credit Union's boom in', and a dividend's in sight,  
When no longer debts are loomin' and the Loan Shark's taken flight,  
When the struggle seems most over and the battle nearly won,  
Let's compensate our Treasurer for all the work he's done!

THE BRIDGE — February, 1939



# AN OLD-TIMER SPEAKS

By ISAAC ROBERTS



Mr. Roberts, now past 82 years of age, was for 17 years Assistant Office Manager of the New York Municipal Employees Credit Union. In the following article he stresses the service which a credit union can render its members.

Mr. Roberts, author of this article, reading to his daughter. This picture was taken before Mr. Roberts became a member of the New York Municipal Employees Credit Union

IN THE last issue of the BRIDGE the initial article is by Otto Memec of the Bauer and Black Employees Credit Union of Chicago, Illinois, and has the Title, "How The Credit Union Helped Me." It is an excellent article and shows every employe of every corporation the great help a Credit Union can offer in times of emergency and also in "getting on in the World." It is in effect a view of the Credit Union from the outside, and presents a very effective introduction to it, with good reasons for joining it and co-operating in its work. Articles of the kind Mr. Memec has written should result in largely increasing the membership of the Credit Unions throughout the country.

The writer of the present article was for a good many years (17 years in all) connected as Assistant Office Manager with the Municipal Credit Union of the City of New York, and helped in the rapid development of that large union from its early days of small things to its position as the largest Credit Union in the United States, and probably in the World, with a present capital of \$2,762,065.00, a membership of 21,617 (every member a City employe), with a present ability to make loans amounting to \$2,759,192.87 annually, and able also to make dividends of over 5% each year. The writer kept in active service until 82 years of age, and enjoyed this form of banking service so much that he would have been glad to continue it, but the weight of years and the rights of a younger worker seemed to say: "Better stop." In this article he would like to present a view of the Credit Union from

the Inside, showing the satisfaction of the worker in this form of Co-operative Banking.

For a Credit Union is in reality the Co-operative Bank of the "Plain People." It has a great future before it, and is destined to grow to become a great remedial agency for every occasion of emergency, and also a distributor of fair profits to the people in the shape of dividends each year. In the 22 years of its existence the Municipal Credit Union has distributed \$1,358,005.83 in Dividends. In each ten years it can now distribute over \$1,000,000.00 more.

As illustrating the sources of satisfaction which this kind of co-operative banking service brings to the worker in a Credit Union, I wish to present three different incidents that formed part of the day's work in the Municipal Credit Union while I was in active service. The reader can depend upon these as being in truth—true stories, actual experiences of the members of whom they treat.

1. *The Police Officer's Son.* I think he was a Police Lieutenant, but his actual grade doesn't matter, he may have been a Captain. He had an only son, a bright boy of 14 or 15, of whom he was very proud. The Fourth of July came around, the boy got hold of a pistol, there was an accidental discharge, and his left-hand was badly shattered. Hurried to a hospital the doctors said that several fingers must be amputated, and that the operation ought to be performed at once, as lockjaw and possibly death was threatened. To secure the operation and necessary treatment thereafter a fee of \$300 was requested.

The officer had always lived up to his full income. He had no reserve at hand. On applying to two or three friends he found that they were all "in the same boat." But one of them inquired, "Why don't you go to the Credit Union?" "What's that?" he asked. He had never heard of it. It was explained what it was, and the one who knew went with him to the Office of the Municipal Credit Union. The father was able to obtain any number of endorsers for his application for a loan. It was an emergency case, and such applications always had the "right of way." The Loan Committee was called by phone to the Office; the loan was approved at once; and within a few hours of the time he applied for the loan, the Officer had received the Credit Union's check for \$300. The operation was performed; lockjaw was prevented; the boy's life saved.

It is not strange that in the files of the Municipal Credit Union there rests a letter signed by that Police Officer, ending in these words, "And so I thank God that we have an institution like the Municipal Credit Union which can come to our help in emergencies like this, and so save a boy's life."

2. *Relief in Times of Sorrow.* Another story which I had from a former office manager of the Municipal Credit Union shows the great service a Credit Union may offer in times of bereavement. He was on his way home after a busy day in the office when he ran across a friend on the ferry boat to Brooklyn. "Hello, Harry, how are you," he said. Then, noting his friend's looks, he added, "You're not looking so well, any trouble?" "Yes," replied his friend, "I'm in a heap of trouble. My only sister died last night and I don't know which way to turn to find the money to give her a decent funeral. I don't know what to do." "I'm sorry to hear it," replied the Manager, "but why didn't you come to me?" "Come to you?" was the reply. "What for? Have you become Master of the Mint, or tumbled into a gold mine?" "No, nothing of that kind, but I happen to

be Office Manager of the Municipal Credit Union, and that is one of the kinds of work we do. How much do you need?" "Well, I would like to have \$400." "You still have your position in your old Department?" "Yes." "And I suppose some of the clerks would be willing to endorse for you?" "Oh, sure, they told me so, but none of them seem to have any surplus cash." "Well, they don't need to in a case like this. You come to our office the first thing in the morning and get your application. I guess we can put this through for you tomorrow," and he gave him the address of the office.

So they said—and so they did. His friend was at the office at the opening hour the next morning; got his application papers, which the Manager showed him how to fill up and sign. "Now, get your endorsers to answer these questions and sign here and here, and bring them back by noon. I will call up the Credit Committee by phone, and ask them to meet here in the noon hour, so I guess you can have your check before the Bank closes." And so he did. His application went before the Credit Committee at 12:30; the endorsers were approved of by the Committee; it was an emergency case, so the Manager rushed the papers through to the President and Treasurer who signed all checks. The check was prepared at once, and the Manager had the pleasure of handing it to his friend by 2:30; and before 3 P. M. the applicant had the money he needed in his pocket.

"I can never thank you enough, Howard, for what you have done for me," he began, when he came back from the Bank. "Then don't try," was the reply of the Manager, "it's all in the day's work here. This is one of the things a Credit Union is for, and always glad to do, when such an emergency comes along. I'm glad to have been of help."

And so another friend was made for the Credit Union—also a loyal member for the future.

3. *The Worried Teacher.* I think I like this story the best of all, for it shows the Credit Union, and the relief it can give, at its best.

A middle aged school teacher in the big city was suddenly placed in a position which for a time caused her intense worry. She had been teaching a good many years and was in receipt of a good salary. But she had a rather expensive home to maintain, had always lived nicely, but had not been able to lay by any reserve. She had an aged mother, now in the 80's, to support, also a half-invalid older sister, who, with the aid of a cook and a maid, was able to take care of their mother; rather an expensive household to support. Suddenly upon returning from school one day she found the half-invalid sister stricken with a serious illness, and their

doctor, hastily called in, said that a difficult hospital operation was imperative, and as soon as possible. All the burden of care and arrangement fell upon the teacher; and so her worry began. Where to find the means with which to meet these heavy additional expenses. Not only must the hospital expense be met, but a nurse must be secured also for the aged mother.

She consulted her friends, chiefly her fellow teachers. All would have been glad, but none was able to give the help needed. Finally, toward the end of the second day of worry, one of these happened to think of the Credit Union, of which she had heard in a vague way. "Why not try the Credit Union?" "What is that?" said the harassed teacher, ready to try anything. "I don't know exactly, but it's a sort of bank that makes loans to City employees. Let's go to their office in the morning and see if they can help." So they said, and so they did, and found the aid so urgently needed.

When they called at the office of the Municipal Credit Union the following morning, a few questions from the Office Manager showed that this was an emergency case of special urgency. "Could the teacher furnish several good endorsers?" "Oh, surely, as many as might be required; her friends were all eager to help her." So the application papers were soon prepared, with four good endorsers, fellow teachers with

salaries equal to her own. The Credit Committee was called together the same day to consider a special emergency case. These always had the right of way. The Committee approved the loan and granted ample time for repayment in easy monthly payments. The check was rushed through and delivered to the applicant in time for her to deposit to her bank account the same day, the \$1200 she had thus obtained removing all the money worry from which she had suffered so keenly. The nurse was secured for the aged mother, the invalid sister was taken to the Hospital, from which she returned in a few weeks in better health than she had known for years. And so another friend and member for the Credit Union had been gained.

It should be added that all the three loans above referred to were repaid some years ago.

It will be seen that remedial and constructive work, such as is done by the Credit Union offers a satisfaction to the worker such as no other kind of work can offer. Yes, the Credit Union is the Co-operative Bank of the "Plain People," and has a great future of helpful work ahead of it.

Lincoln had a quaint way of presenting God's relation with the Plain People. "God must love the Plain People, that's why He made so many of them." Let us then, who are of the Plain People, whom God loves, take hold of the Credit Union as one of His great agencies for good, and make use of it to our use, and for His glory.

\* \* \*

#### Louisiana League Appoints Managing Director

THE BOARD of Directors of the Louisiana Credit Union League has at last accomplished what it has been endeavoring to do for many years—employ a full-time Managing Director. Effective January 1, 1939, John A. McGoe, Jr., was appointed Managing Director, and now Louisiana takes its place with the dozen or more other leading credit union states which have full-time managing directors in the field.

Mr. McGoe is a native of New Orleans, La., and was educated at Jesuit High School and at Tulane University. He was recently employed for several years by the Pan-American Life Insurance Company. While Mr. McGoe has had no previous experience in credit union work, he is well qualified for the position to which he has been appointed.

The Louisiana League was fortunate in that Charles Eikel, field secretary of the Credit Union National Association, spent the month of January and the first part of February in Louisiana, and Mr. McGoe was enabled to receive some very valuable training under Mr. Eikel.

#### I'M GONNA TRY

*I'm gonna try to play the game,  
And play it hard and play it fair;  
I may not win, but just the same  
I'm gonna try to do my share.  
I may not always meet the test  
As well as some more clever guy,  
But while my heart beats in my chest  
I'm gonna try.*

*I'm gonna try to stand the gaff,  
Yet keep my nerve; I'm gonna seek  
To love and work and play and laugh  
And never show no yellow streak  
I'm gonna struggle to be kind  
And not grow hard of face and eye;  
I'll flop at times, but never mind,  
I'm gonna try.*

*I'm gonna try to be a friend  
That folks can trust, and who they  
know  
Will be the same way to the end,  
Whether the luck runs high or low.  
I'll hitch my wagon to a star  
And set my goal up in the sky,  
And though I may not get that far,  
I'm gonna try.*

—FROM THE BOOK-CRAFT ANNALIST.

# NEWS OF STATE LEAGUES

## NEW YORK

By SIDNEY STAHL

### Credit Union School

THE first credit union school in the United States patterned after the plan of the St. Francis Xavier University Nova Scotia Study Clubs was instituted on January 4th at the D'Youville College in Buffalo. Father William J. Kelley, O.M.I., first contacted Sidney Stahl last summer and organized study clubs among the members of the St. Boniface Church, Seacliff, L. I., which has a credit union operating now. The efforts of Father Kelley were so fruitful that he was commissioned to conduct a six months course at the Buffalo College. The school provides free instruction on the origin, development and practices of the credit union. It is democratic in its membership; it is open to all regardless of race, creed or color. The activities of the school are being publicized by the cooperation of the local radio stations and newspapers. Directors Parker and Shippe and the Chapter officials of the Buffalo District are assisting Father Kelley in every way possible. Sessions are held each Wednesday and Thursday evening at 9 P.M. and on Sunday at 4 P.M. We understand that as many as 300 persons were present at a Sunday session. We enthusiastically look forward to a rapid credit union development in the Buffalo District as a result of these study clubs.

\* \* \*

### New Credit Unions Organized

During the year 1938 which just came to a close 84 credit unions were organized. The following were chartered during the months of October, November and December.

Greater New York Taxpayers Federal Credit Union, New York City

Sone & Fleming Employees Federal Credit Union, Brooklyn, N. Y.

Temple Beth Israel Credit Union, Buffalo, N. Y.

Schochtim Federal Credit Union, Brooklyn, N. Y.

Empirt 180th St. Barn Federal Credit Union, New York City

Street Transportation Employees Fed-

eral Credit Union, New York City

B. T. S. Employees Federal Credit Union, New York City

Empirt Jerome Barn Federal Credit Union, New York City

Edwards Employees Federal Credit Union, Syracuse, N. Y.

Town Taxi Employees Federal Credit Union, New York City

Dynamic Employees Federal Credit Union, New York City

\* \* \*

### Human Bank

On Christmas Eve, the Wm. J. Hennessy Post 1938 V. of F. W. Federal Credit Union, New York City, distributed 40 baskets of food to the needy. The families receiving these baskets had small children, an average of five and eight individuals in a family.

\* \* \*

### New League Members

We are pleased to welcome the following credit unions to the credit union family:

**BUFFALO DISTRICT CHAPTER**

Temple Beth Israel Credit Union, Buffalo, N. Y.

I.R.C. Broadway Bary Federal Credit Union, Buffalo, N. Y.

Little Island Federal Credit Union, North Tonawanda, N. Y.

Bani Israel Congregation Federal Credit Union, Olean, N. Y.

### SCHENECTADY DISTRICT CHAPTER

Eastern New York Credit Union, Schenectady, N. Y.

### NIAGARA FALLS DISTRICT CHAPTER

Niagara Falls N. Y. Central Employees Credit Union, Niagara Falls, N. Y.

### METROPOLITAN DISTRICT CHAPTER

B. T. S. Employees FCU, New York City

Branch 123 J.N.W.A., FCU, New York City

C.L.P. Empl. FCU, Garden City, L. I.

Consolidated FCU, Brooklyn, N. Y.

Dress Pressers Br. No. 60B FCU, New York City

Greater New York Taxpayers Empl. FCU, New York City

Hampton Alumni FCU, New York City

Hotel New York Employees FCU, New York City

Italian Catholic Union Loreto Branch Federal Credit Union, Ozone Park, L. I.

Mt. Vernon Teachers FCU, Mt. Vernon, N. Y.

N.Y.S. Highway Engineers FCU, Babylon, L. I.

Penn. Station Empl. FCU, New York City

Progressive Slutzker Credit Union, New York City

Pullman P. T. Federal Credit Union, New York City

Radio Drivers Federal Credit Union, Bronx, N. Y.

Ragusan Credit Union, Brooklyn, N. Y.

United Independent Federal Credit Union, New York City

Valley Stream Teachers Federal Credit

### CREDIT UNIONS IN NEW YORK DEC. 31, 1938

Chapter	State	Fed.	Total	Mem-ber	Non-Member	% Chapter Member C.U.	% League Membership
Buffalo	19	43	62	48	14	77.42	9.51
Capitol	14	16	30	17	13	56.66	3.36
Catskill	2	4	6	5	1	83.33	.99
Metropolitan	103	202	305	205	100	67.21	40.59
Niagara Falls	6	8	14	10	4	71.43	1.98
Rochester	9	12	21	18	3	85.71	3.56
Schenectady	2	17	19	5	14	26.32	.99
Southern Tier	1	10	11	6	5	54.55	1.19
Syracuse	7	8	15	12	3	80.00	2.38
Utica	1	21	22	16	6	72.73	3.17
	164	341	505	342	163	67.72	67.72



Union, Valley Stream, N. Y.  
 White Plains Teachers Federal Credit  
 Union, White Plains, N. Y.  
 Yonkers Teachers Federal Credit Union,  
 Yonkers, N. Y.  
 Young Friends Camp No. 63 Federal  
 Credit Union, Brooklyn, N. Y.

\* \* \*

### Mark Your Calendar

Credit Union National Association Meet-  
 ing May 11-12-13, Hotel New Yorker,  
 New York City.

\* \* \*

"Credit Union Day" at World's Fair  
 Auditorium—Friday Evening, May 12th.

\* \* \*

"Credit Union Jamboree" — Saturday  
 Evening, May 13th, Hotel New Yorker.

\* \* \*

### Revere Rome

The Revere Rome Division Employees  
 Federal Credit Union started business  
 on January 2, 1937. Since then it has  
 grown steadily. Of the 1052 who have  
 joined, 782 are still active members, the  
 majority of the others having left the  
 employ of the company. Assets at the  
 end of July 1938, were \$20,613.19.

There were issued 1013 loans amount-  
 ing to \$57,169.04; only three loans to-  
 taling \$5.74 have been charged off.

After declaring a 4% dividend for  
 1937, there still was an undivided profit  
 of \$330.44. The profit so far this year  
 amounts to \$757.47.

Treasurer Erwin Fellows, when writ-  
 ing to Tom Kelleher of Utica, recently  
 said:

"It has taught and helped members  
 to save on the installment plan. It has  
 helped them in time of need and during  
 emergencies. It has helped Revere em-  
 ployees to feel more secure and content,  
 which not only contributes to their hap-  
 piness but contributes likewise to their  
 efficiency and effectiveness as workers.  
 We have yet to find one member who  
 is sorry he has joined."

\* \* \*

### Tom Doig on Dues

Occasionally credit union folks ask  
 "How do the New York League dues  
 compare with other States?" According  
 to a recent survey New York State has  
 the lowest dues schedule in the United  
 States with the exception of Massachu-  
 setts. Tom Doig, Assistant Managing  
 Director of the Credit Union National  
 Association, a few months ago spoke on  
 the subject of dues and we are pleased  
 to quote in part:

"May I give you just a little history  
 of the origin of dues as the main sup-  
 port of the credit union movement in  
 the United States?

"Originally, as you know, the credit  
 union movement was supported entirely  
 by Mr. Filene's philanthropy. Mr. Ber-  
 gengren at that time was the only em-  
 ployed person actually devoting his en-  
 tire time to the organization and de-  
 velopment of credit unions.

"A few folks scattered through various  
 communities in the United States were  
 anxious that the credit union develop-  
 ment might move forward more rapidly  
 and, therefore, encouraged by Mr. Ber-  
 gengren began to organize credit unions.  
 As credit unions increased in number in  
 the various states they began holding  
 meetings for the exchange of ideas and  
 soon all of the credit unions in a given  
 state became interested in giving some  
 effort to advance the movement more  
 rapidly.

"At the first it was thought that this  
 could be done by voluntary work on the  
 part of individual credit union members  
 but we soon learned that due to the  
 fact that those people most interested  
 in the development of credit unions were  
 kept extremely busy in earning a living  
 and operating their own credit union it  
 was impossible for them to give sufficient  
 time during business hours to bring  
 about the desired results. However,  
 these individuals were still interested in  
 the development of credit unions and,  
 therefore, the credit unions decided that  
 instead of their individual members do-  
 nating time the credit union itself would  
 contribute a small portion of its earn-  
 ings, thus making it possible for all the  
 credit unions in a given state operating  
 as a unit to employ one man who would  
 give all his time to credit union organi-  
 zation work. This was the beginning of  
 our State Credit Union Leagues and  
 the origin of the dues issue.

"Since at that time most of the assets  
 of a given credit union were kept busy  
 supplying the loan demand of its mem-  
 bers, the amount of assets on hand truly  
 represented the income of the credit  
 union and dues to the State League were  
 based on the assets. As the years went  
 by some credit unions accumulated sur-  
 plus funds which were not loaned out  
 to members, and on the basis of assess-  
 ing dues on assets, were therefore paying  
 dues on idle money.

"Therefore, in recent years various  
 State Credit Union Leagues have been  
 changing the basis of their dues from  
 assets to percentage of interest income.

"The rapidity with which the credit  
 union movement develops in a given area  
 depends almost entirely on the amount  
 which existing credit unions are willing  
 to contribute toward the expansion of  
 the credit union movement. In those  
 states where dues paid to the State  
 League are relatively high the movement  
 has gone forward rapidly, the number  
 of credit unions have greatly increased,  
 and this increase in numbers is always,  
 of course, accompanied by an increase in  
 power, thus affording the existing credit  
 unions greater security and permanence.

"To bear out this statement I am set-  
 ting forth below the names of some of  
 the states which employ full time Man-  
 aging Directors and which are the lead-

ing states in the credit union develop-  
 ment in America at the present time, and  
 the basis upon which dues are assessed  
 to credit unions in these states:

"New Jersey—6½% of gross interest  
 income.

"Illinois—4½% of gross interest in-  
 come.

"Ohio—4½% of gross interest income.

Indiana—6% of gross interest in-  
 come.

"Minnesota—5% of gross interest in-  
 come.

"Missouri—5% of gross interest in-  
 come.

"Michigan—½ of 1% of assets.

"Iowa—½ of 1% of assets.

"If the dues charged by the State  
 League are low very little money is raised  
 with which to carry on the affairs of the  
 State League. Therefore the League is  
 able to render only very small service  
 to its members and credit unions do not  
 reap as great a benefit from their mem-  
 bership. If the dues are higher the  
 State League is able to perform more  
 functions for its members and the credit  
 unions receive greater benefit. A State  
 League cannot long exist with a low dues  
 schedule."



## CALIFORNIA

By JAMES W. BROWN

THE POSTAL Credit Union of Pasa-  
 dena, California, started active op-  
 erations January 17, 1929, with 37 mem-  
 bers and less than \$100.00 in cash. This  
 was right in the midst of the great de-  
 pression.

At the end of the year the assets to-  
 taled \$5,761.86—shares \$4,660.00, loans  
 \$5,113.50, earnings of \$397.81, operating  
 costs \$261.52.

Today, after ten years of operation,  
 our assets are \$96,875.75. The books  
 show \$88,185.00 in shares, \$4,708.97 in  
 the Guaranty Fund and a balance in prof-  
 its of \$2,814.06 for a six months period.  
 Against that we have \$88,884.50 in out-  
 standing loans and \$3,000.00 in securi-  
 ties. The operating expense for the year  
 has been \$1,362.24. Six percent divi-  
 dends have been maintained throughout  
 this period.

This growth is doubly remarkable in  
 view of the fact that we had a maximum  
 limit of 300 members, out of which we  
 have 278.

It can be readily seen that our mem-  
 bers freely used their credit union when  
 requiring financial help. It has relieved  
 the debt situation in many homes, pro-  
 vided the comforts as well as the neces-  
 sities of life, which could not have been  
 secured if the borrower would have had  
 to depend on the accumulation of his  
 savings. It has added cheer in times of  
 sickness and distress, not only to the

members' families, but in many cases in their giving aid to friends and neighbors who were in need.

The shares sold are the best evidence of the thrift that has risen out of indebtedness. This is striving for the goal all credit unions are aiming at—to have its members have accounts on both sides of the ledger. In many cases this represents the credit union as giving a man in need of help, a chance to help himself.

All in all it has been an enjoyable ten years. There is no better business on earth than the cooperative type like the credit union. It is a happy mingling of good will with plain common sense.

In addition to our own credit union activities we have spent ten years in helping other credit unions, the State League and the National Association to promote the cause and build on a sound foundation.

C. W. WEISER, Treasurer.

(With the average loan and average shares close to \$320.00, either we all ought to become mail carriers or Mr. Weiser has a high class credit union. It is a matter of pride and encouragement to the entire Credit Union movement to publish such a fine record.—Ed.)

### Our Convention

By the time this BRIDGE goes to press the California State League Convention on February 18th and 19th at Oakland, California, will probably be in full swing. It is expected that a full attendance of delegates will be there from all parts of the state and it should top all credit union conventions held by our League. With a wonderful convention planned the great Golden Gate International Exposition next door is offered as a tempting side dish.

### New Credit Unions for 1939

This should be one of the first objectives of the State League during 1939. The amazing growth of credit unions in the state and the services rendered to the members only emphasizes more than ever that it is a needful thing for many employee groups not yet organized. We should approach this big job from a very realistic viewpoint and each credit union give any help possible. Information from any credit union covering the following points will be of great value to our field secretaries:

1. Names of enthusiastic members and officers of local credit unions who have studied the credit union movement and have ability as organizers.
2. Names and addresses of employees in companies or organizations without credit unions you have interested in the Credit Union work.
3. Names of employers who desire literature or to ask questions about the success of credit unions in plants like their own.

Send any information of this nature to either our Calif. Credit Union League, Room 9, 1901 Telegraph Ave., Oakland, Calif., or Calif. Credit Union League, P. O. Box 161, 2790 Glenwood Place, South Gate, Calif., for southern California prospects. Such help will be appreciated by the field secretaries.

### New Chapter District

A petition to form a new chapter district from those credit unions located in Kern County was presented to the State League Board in their January meeting. Welcome, Kern County, and a word of praise to Claude Jones and S. A. Steidel who worked so hard to make it a possibility.

### L. A. Chapter Meeting Features a Comedian

At the January meeting of the Los Angeles Chapter, Frank Bull, chief Associated Sportscaster for southern California, regaled the group of 100 credit union members for over thirty minutes with factual and humorous incidents, that had the entire crowd roaring with laughter most of the time. The chapter feels that a little fun, interspersed with the more serious business for which the meetings are called, does much to stimulate interest. More of a similar nature is promised for the future.

Honorable mention is made of the San Bernardino State Employees delegation who traveled many miles to attend this meeting. The same for the L. A. City Employees Federal Credit Union for their purchase of ten season dinner tickets for the Los Angeles Chapter meetings.

### Credit Union Members Everywhere

Ye Editor spent a merry (?) Christmas flat on his back in a hospital bed with a high fever. The only cheerful feature was that the patient in the next bed was also a member of a credit union and we had a subject for discussion on which we were mutually enthusiastic.

Maybe if we had a fascist dictatorship and all land in a concentration camp, the fellow eating out of the tin plate next to you will be a credit union member.

### From San Pedro the Great Harbor City

Al Du Rant, a credit union assistant treasurer, sat out on the breakwater of the harbor and wrote this fine Credit Union philosophy:

A helping hand in time of need is remembered longer than a six percent dividend.

The success of the credit union will be reflected in the attitude of its members.

Credit union is a business but it is different than a commercial business. Personal aggressiveness will get an organization to the top in the commercial

world, but personal aggressiveness in the credit union without cooperation with the movement as a whole will often spell disaster. It's the old story that eleven brilliant individual football players will not make a winning eleven, while eleven players not so good, drilled in team work will often make the greater number of touchdowns. The death knell of the credit union movement will be when we have too many isolated credit unions with no sense of tolerance or team-work.



I O W A

By FRED A. BEARD

### A Good Chapter Meeting

THE Central Iowa Chapter was the guest of the F. W. Fitch Employees credit union at the December meeting, with the largest attendance ever recorded. Several out-of-town visitors were present, including League President Alexander and Dave McCoy, president of the Ames City Employees Credit Union.

A lively discussion concerning the closing of the year's business was led by Herb Vetter, which was enlightening even to the well-seasoned treasurers and accountants present.

More of such meetings, please. And more reports from other good meetings, double please!

\* \* \*

A. Neil Hutchins called our attention to a little item we printed last month regarding borrowing wives. He says that good banking practice recommends that those people are in the field of credit union membership who are members of the same household, and dependent upon a credit union member, whether the relationship be close or not. (State law uses the rather vague term, "member of the same family.")

\* \* \*

### Blakely-isms

We seem to be quoting Roscoe Blakely a lot, but it's his own fault—he shouldn't say such quotable things. At any rate, he was present at the December meeting of the Story County Chapter in Ames, and we quote as best our memory will permit. Some of the things he used to flavor the discourse he gave.

"The secretary's minute-book is one of the most important items to keep up to date. Examiners will usually ask for the minute-book first, before making the audit.

"We recommend that no credit union pay more than five percent dividends. If the earnings would justify the payment of larger dividends, one or more of the following alternatives should be used: (a) reduce the interest rate charged on loans; (b) subscribe to THE BRIDGE, at least for the credit union officers; (c)

pay the treasurer a salary commensurate with the work he does; (d) send another delegate to the state convention; (e) use the money for credit union or chapter improvement and activity.

"The guaranty fund in many credit unions has grown to monumental proportions, and all credit unions have a statutory reserve far in excess of their greatest possible need. Don't wait too long to charge off an obviously bad loan—it will be returned to the guaranty fund if it is collected later."

Later in the evening the matter of the closing of the treasurer's books for the year was discussed at length, the discussion being led by Managing Director H. W. Vetter. President C. O. Alexander also briefly mentioned the Filene Memorial, and promised to go into it at greater length at the January meeting.

\* \* \*

#### Put It on File

We have tucked away in our cummerbund, along with insurance policies, receipts, Chinese paper money, and that picture of rich uncle Jonas, the last issue of the Monthly Bulletin of the *Iowa Credit Union News*. It has in it the proper procedure for closing the treasurer's books for the year, carefully written and arranged, together with some painstaking illustrations on how the books should appear with the entries properly disposed of.

This is a valuable bit of information, and should be placed on file in all credit unions, both for reference, and for the education of the next treasurer of your credit union.

\* \* \*

#### Proposed Guaranty Fund Amendment

According to the *Illinois Credit Union News*, a proposal is being made to modify the present law governing the statutory reserve fund, in which the fund will be limited after reaching 15 percent of the assets of the credit union. The proposed amendment reads:

"All entrance fees, fines (which may be provided by the bylaws, for failure to make repayments on loans and payments on shares when due), and each year, before the declaration of the dividend, twenty percent of the net earnings shall be set aside as a reserve fund against bad loans until such reserve fund shall equal 15% of the assets of the credit union and said reserve fund shall thereafter be kept at not less than 15% of the assets and shall not be distributed except in the case of liquidation."

\* \* \*

#### To Potential Credit Unions

If your group is desirous of organizing a credit union, or if you would like to learn more about the organization and operation of credit unions, you may receive help without charge to you, if you will write the Iowa Credit Union League,

523 Securities Bldg., Des Moines, Iowa.

A credit union is a group of people within a definable membership, who have organized for the purpose of promoting thrift, providing credit for provident and productive purposes, and for making available the group purchasing of commodities and services.

Do not hesitate to call on the state league to help you if such a setup would be beneficial to your group. There is no obligation.

\* \* \*

With your subscription to the *BRIDGE* you are entitled to one free look at the members of the board of directors of the state league. These directors classify under three general headings, brainy, handsome, and er—what the heck is that other heading?

There is Karl P. Johanssen, for instance, who has spent the last sixteen years grading and shipping beef, veal and mutton for Jacob E. Decker & Sons at Mason City. Karl classifies under all three headings, **K. P. Johansen** but he didn't say so himself. He just said that his credit union boasted 751 members, assets of \$51,000, and was organized in November, 1932. He is past president of the Cerro Gordo Credit Union Association, chairman of the credit committee in his own credit union, is 34 years old, a daddy, and has been a state director for the past two years.



K. P. Johansen



E. H. Walz

You should be able to pick Ed H. Walz out of a crowd now, after studying this picture of him. Like Johanssen, Walz has devoted the past sixteen years to the job of being a first-class department manager for Meredith Publishing Company. His credit union, one of the largest in the state, and the very oldest, has assets of \$112,000 and a roster of 543 members. Ed also has a rather unique credit union record: he is a director of his own credit union, a director of the state league and a director of the credit union national association. His directorship in the state league dates from the organization of the league.

Not to be sneezed at for size is the Rock Island Arsenal Employees credit union, which provides the state league with the services of Harry W. Morgan. This credit union has over one thousand members, assets of \$43,500 and is three and one-half years old. No wonder they need the services of a capable fellow like Harry, who has



H. W. Morgan

been treasurer from the start, a member of the Mississippi Valley Chapter on the Iowa side, and a director on the state league for the past two years. He holds the position as fireman at the United States arsenal, dating back a matter of fifteen years; he is 48 years old and the father of two children.



O H I O

By LOUISE MCCARREN

#### Filene Memorial Campaign Is in Full Swing

THE annual meetings of all of the credit unions have been held. Each board has had an opportunity to give a full account of their stewardship to their members. At most of those meetings the Filene Memorial Campaign Fund was discussed and enthusiastically supported. Solicitations are now under way. All committee chairmen are urged to remember the rules—every credit union member is to be given an opportunity to contribute, but no high pressure is to be used. Every credit union member should receive a pamphlet telling the story of Mr. Filene and the Credit Union Movement, and he is to express his appreciation in any way that he sees fit. Any credit union needing an extra supply of material can secure it by applying to their chapter chairman or writing to the League office. It is our hope that the campaign will be completed by March 1. As always we anticipate that Ohio will go over the top. It cannot be done unless every credit union cooperates.

The following letter was sent to the members of the Cleveland Firemen's Credit Union.

To the Members:

Your attention is called to the campaign now in progress to permanently honor Edward A. Filene, who devoted more than a quarter of a century and a million dollars to establish the credit union movement on this continent.

The purpose of this campaign is to erect a fitting memorial to the memory of this great humanitarian and to give the credit union members an opportunity to express their gratitude to the man who made possible the benefits that you receive from your credit union.

The National Association and affiliates which are serving you are now housed in a building that is inadequate and a veritable fire trap.

It is proposed that a Memorial to take the form of a headquarters building be erected to house the increasing activities of this organization.

Filene Memorial House will be your building because your contributions will build it.

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The Directors and Officers of your credit union earnestly request your contribution even though it be only 25 cents. The name of every individual who gives \$1.00 or more will be inscribed in the Hall of Donors.

Can we depend on you to give?

Pledge cards, authorizing the Treasurer to deduct from your share account a given amount will be furnished by the Committeeman in your station. He is further authorized to accept cash contributions.

It is understood that all contributions are voluntary.

Respectfully,

(Signed) JAMES MIMMO, Chairman  
Filene Memorial Fund  
Cleveland Firemen's Credit Union

### Stark County Chapter Organization Now Complete

The eighth Chapter was organized in Ohio during the closing months of 1938, and is now in full swing of operation. This new Chapter is known as the Stark County Credit Union Chapter and serves the credit unions in the county, most of which will be located in Canton, North Canton, and Massillon. M. J. E. Donzi, who represents the oldest credit union in the county, that of the Canton Postal Employees, was elected president. Mr. Ray Wonderly of the Republic Steel Federal Credit Union of Canton, was elected Vice President. B. T. Rinehart of the Canton Telephone Employees credit union, was elected secretary-treasurer, and Mr. Lilly, also of Republic Steel, was elected chapter representative of the Board of Directors of the League. The Chapter meets once a month on the Thursday following the second Wednesday, at the lounge of the Ohio Bell Telephone Company. Any person interested in the credit union movement, whether or not they now belong to a credit union is urged to attend the meetings.

### Cincinnati Railway Express Federal Credit Union Is Host to Cincinnati Chapter

The Cincinnati Chapter held its regular monthly meeting in December at the auditorium of the American Railway Express, adjacent to the Cincinnati Union Terminal. The subject of the meeting was the closing of the books for the year. Mr. A. C. Swalisch of the Federal Credit Union Section conducted a very able and interesting discussion, illustrating the steps necessary for the closing of the federal books. Mr. Charles Burger, treasurer of KEMBA Cincinnati credit union then pointed out the different steps state chartered credit unions must take in the closing of their books. After the business meeting, under the direction of Mr. McKimmon and Mr. Sleghter, president and treasurer of the Cincinnati Railway Express Federal Credit Union, explained the working of a very modern

Express Company. The credit union members had an opportunity to see the Express Company when it was in the full rush of the Christmas season. We all left with a greater appreciation of just what it means to receive our Christmas package from some other part of the United States or the World, the day before Christmas, in perfect condition. And it adds an extra thrill because you realize all along the line the package has been handled by credit union members, as there are many credit unions operating in this Company.

### Cleveland Chapter Holds Annual Meeting

The Annual Meeting of the Cleveland Chapter was held in the lounge of the Ohio Bell Telephone Company on Wednesday, January 4.

The principal speaker of the evening was Mr. Wendell Falsgraff of the Civil Service Employees Credit Union. Mr. Falsgraff led a very interesting and able discussion on parliamentary law. He pointed out that the job of the chairman was to conduct the meeting and to keep it moving along and not to debate. He explained what motions took precedence over others. The subject was a very timely one as all credit unions would be holding annual meetings shortly.

Miss McCarren, managing director of the League, made an appeal to all credit unions to support the lecture of Dr. Kingsley Roberts of the Bureau of Co-operative Medicine, who was scheduled to talk in Cleveland on January 29. She also asked all credit unions to send their financial statements as of the end of the year and their dues which are based on 4½ per cent of income from interest during the previous calendar year, provided the credit union paid a dividend that year.

Elections for the following year resulted in the following:

T. R. Buffington, Western Electric Credit Union, President; M. M. Millman, Mag. Co., Federal Credit Union, vice-president; Mr. Greene, Cleveland Trust Employees Federal Credit Union, secretary; Elsa Hosack, Socony Vacuum Credit Union, Treasurer; Ray Juergens, East Ohio Gas Federal Credit Union, representative to the board of directors of the Ohio Credit Union League.

### Dues For 1939 Now Due and Payable

With the first mail on the first day of the beginning of the new year, comes two checks in payment of 1939 dues. Lowe Bros. Federal Credit Union at Dayton and the Cleveland Firemen Credit Union paid their dues in full for 1939. Dues this year are based on 4½% of income from interest during the previous calendar year, provided your credit union paid a dividend for that year. You are asked to mail your dues early. Credit

Unions, who desire it, may pay their dues in installments. In order to avoid inconvenience of making out a check each month or each quarter, we would like to point out to you that dues may be paid at once and set up as a prepaid asset and charged over the year.

### New Credit Unions Organized

City Hospital Employees C. U. (Cleveland); Public Library Credit Union (Cleveland); Auto Workers Credit Union (Norwood); (All employees of General Motors in Greater Cincinnati).



### Become a Regular Saver By M. M. Turner

Did you ever read the story of "The Richest Man in Babylon"? It is only the story of a man of ancient times who decided it would be smart to pay himself a portion of all that he earned. He observed that others went about paying Peter and Paul, but never holding out a cent to pay themselves. Did you ever think of your savings account as representing your own personal pay for the time and energy you have put into the earning of your money with which you pay everyone else?

Your credit union treasurer wishes to call your attention to the one person you are forever cheating out of his earnings, and that one is YOU—the old man you will be some day. I bring to you an old, old idea with a new dress. There are two pays in your envelope. The other belongs to that same old man. Some day he will say to you, "There was enough money in all those pay envelopes for both of us. Where is my share?" Cheat him today and you cheat yourself, for he is you. You, years older, years feebler, you looking for the job the young man gets, going from shop to shop—you trying to look neat and trying very hard to be brave. Don't think of your credit union savings as just for today's convenience. Think of it as a plan for getting the money that belongs to someone else—that other person you will be some day.

Then, again, I remind you that an old man's clothing, shelter, food, cigars and the independence that means so much to an old man, are in your pay envelope each week or two and years do not make a rich man—they only make old men. The savings bill is the only bill you are ever called on to pay before it is due and unless you do pay, NOW, before it is due, someone else must pay it for you, THEN. The pay of two persons is in your envelope today, so see that the old man you will be gets his share first—SAVE REGULARLY WITH YOUR CREDIT UNION.

## New Credit Unions Receive Charters

The last month of 1938 closed with several new credit unions being organized. We extend to these credit unions greetings and best wishes for their success. We are happy to announce that one of these credit unions is the nineteenth teacher's credit union in the state and will serve employees of the Board of Education in St. Francois County at Flat River, Missouri. Mr. Vernon M. Estes has been elected treasurer.

The largest in the group is the Nelly Don Employees Credit Union, serving employees of the Donnelly Garment Company in Kansas City. They have availed themselves of the services of the League and received a discount of more than twenty dollars on their initial supplies. With the unanimous support of management and employees this credit union will make rapid progress. Mr. Sam Sparks will serve as treasurer.

The K.M.B.C. Credit Union is the first of its kind in the state in that it serves employees of the Midland Broadcasting and Television Companies. Frank K. Hunter has been elected treasurer and reports very active interest in their new credit union.

The last credit union organized in 1938 is the Jersey Credit Union, St. Joseph, Missouri, which serves employees of the Jersey Cereal Company. Warren A. Mabe is acting as treasurer.

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## Renewal of Bonds

As you were previously notified all credit union bonds came up for renewal January 15th. A statement for the coverage which your credit union carried was mailed to you. In a great many cases, however, additional protection is going to be required and we ask that you notify the League office as soon as possible regarding this increase. Inasmuch as you are covered under a blanket bond there is no charge for any change made in the treasurers at annual meetings. Please check your records and see that your bond premium has been paid to the League and that ample coverage has been taken.

\* \* \*

## Remember the Date

Keep in mind the dates of the annual meeting of the Missouri Mutual Credit League at the Robidoux Hotel in St. Joseph, Missouri. As voted at the last annual meeting in Columbia, this meeting will be held April 15 and 16. Some of the powers that be have promised ideal spring weather, so reserve the date now. More detailed information will be sent to you from time to time as to the exact time and place of the meetings.

\* \* \*

## Definite Publication Date

We are pleased to announce that a definite publication date for THE BRIDGE

has been fixed. Hereafter all material for the inserts in THE BRIDGE must be in Chicago not later than the fifth of each month if the material is to be printed. In the past THE BRIDGE has been held up indefinitely because some states were extremely lax in getting their copy to the publisher. Therefore, may we ask that all chapter presidents have their chapter material in the office not later than the second of each month. We will be very grateful for other contributions and only ask that it be received in time for current publication.

\* \* \*

## Missouri State Credit Union Financial Statement Before Closing Dec. 31, 1938

Cash .....	\$ 6,411.80
Personal Loans .....	41,161.89
Furniture and Fixtures .....	276.50
Cash Over and Short .....	13.06
Expense .....	405.74
Cuna Mutual Society .....	275.33
Salaries .....	498.00
	<hr/>
	\$49,072.42
Shares .....	\$41,986.97
Ent. Fees .....	22.75
Reserve Fund .....	1,787.26
Undv. Earnings .....	148.22
Special Reserve .....	757.00
Interest .....	4,366.76
Fines .....	3.46
	<hr/>
	\$49,072.42

At a meeting of the board of directors of the Missouri State Credit Union a dividend of 5% was declared. It was voted to continue the practice of issuing checks only to credit unions and crediting the individual accounts with the dividend. Therefore, if the entry has not been made in your pass book for the 1938 dividend, mail your book to the credit union office and it will be taken care of at once.

\* \* \*

## New Chapter President

At the December meeting of the Kansas City Chapter J. A. O'Sullivan, treasurer, Missouri Pacific Employees, was unanimously elected president of the chapter for the year 1939. Jack has been an untiring worker locally and out state for the credit union movement and we offer sincere congratulations to him in his appointment.

\* \* \*

## Save the Adding Machine Tape

When you use an adding machine in balancing your ledgers at the end of the month, be sure to keep the tape and file it away, properly labeled. It is your evidence to the supervisory committee, to examiners, to field men and to everyone else concerned that your ledgers

have actually been balanced for the given month. There is no telling when the record may suddenly take on a new and special importance. Then, too, while your ledgers may appear in balance some error months before which has been covered by a compensating error may come to light. Without the tape record the task of straightening it out promises to become tedious and complicated.—Cooperative Saving.

\* \* \*

## Are You Doing Your Part?

Now that the Filene Memorial Campaign is well under way, we are wondering whether you, as an individual credit union believer, have contributed to the building fund for the permanent memorial to Mr. Filene. You will be asked by the Filene Campaign chairman of your credit union to make but a small contribution and we hope you will do so willingly. You will have the privilege of signing a pledge card if you do not wish to make your payment immediately. The response to the Filene Memorial is favorable everywhere and it is up to us to see that Missouri maintains her position as an outstanding credit union state. Let us honor Mr. Filene with this building which will always remain a symbol to the millions of credit union members of their faith and acceptance of the credit union movement.



PENNSYLVANIA

By JULIA D. CONNOR

WITH annual meetings of individual credit unions just past, decks are being cleared for the annual meeting of the Pennsylvania Credit Union League, which is scheduled to take place in Pittsburgh, on March 18.

While details for the meeting have not been completed as we go to press, a few of the highlights will help in preparation. With more than 100,000 credit union members in the State of Pennsylvania, this should be the largest gathering of its kind in the State.

Every credit union that is a member of the P.S.C.U.L. is entitled to one delegate and one alternate at the annual meeting. If your delegate was not elected at the annual meeting of your credit union, he, and the alternate, should be appointed by the board. His expenses for attending the meeting are a legitimate expenditure, and will be approved by both State and Federal governments.

The most important matter to come before the League is the election of directors for the ensuing year. Section 1, ARTICLE IV, of the League bylaws reads:

"Section 1. The board of directors shall consist of seventeen members, who shall be elected by the delegates at the

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annual meeting from member credit unions in established districts, proportionately and equitably determined, the boundaries of which shall be set by the delegates at any annual meeting of the league. No two directors shall be chosen from the same credit union. Directors shall be elected for a period of one year. Directors shall be reimbursed to the extent of expenses involved in attending meetings."

The boundaries of districts as established at the last annual meeting are as follows:

District One: Erie, Crawford, Mercer and Venango Counties.

District Two: Lawrence, Beaver, Butler, Clarion and Armstrong Counties.

District Three: Allegheny, Washington, Greene, Fayette, Indiana, Westmoreland, Cambria and Somerset Counties.

District Four: Blair, Huntingdon, Mifflin, Juniata, Perry, Bedford, Fulton, Franklin, Adams, Cumberland, York and Dauphon Counties.

District Five: Lancaster, Lebanon, Schuylkill and Berks Counties.

District Six: Chester, Delaware, Montgomery, Lehigh, Northampton, Bucks and Philadelphia Counties.

District Seven: Tioga, Lycoming, Union, Snyder, Northumberland, Montour, Columbia, Sullivan, Bradford, Susquehanna, Wyoming, Lackawanna, Luzerne, Monroe, Pike, Wayne, and Carbon Counties.

• District Eight: Warren, Forrest, Jefferson, McKean, Cameron, Elk, Clearfield, Center, Clinton and Potter Counties.

Every credit union member in the State should be as vitally interested in this election as in the election of directors to serve their individual credit union. Make the selection of State directors the subject for discussion at your next chapter meeting. And discuss at that meeting the things you want brought up for consideration at the annual meeting. Then write the Managing Director about it.

But above all, if your credit union is affiliated with the League, send your delegate to cast your vote at the annual meeting. Full details regarding time and place will be sent you later.

\* \* \*

### Progress

December, as usual, marked a slowing up in organization of credit unions. However, even the holidays could not deter those who were determined to bring credit union service to their fellow-workers. And so, on December 27, we found ourselves meeting with an enthusiastic group of approximately fifty employees of Temple University, in Philadelphia. After a thorough explanation of the principles, and many ques-

tions, the group signed an application for a charter.

During the month of December two charters were granted, i.e., Lavino Employees Federal Credit Union, Plymouth Meeting; and Kraft Philadelphia Federal Credit Union, Philadelphia.

The holidays also saw a growth in the State League, with the affiliation of the following:

Turtle Creek Teachers Federal Credit Union, Turtle Creek; West Branch Federal Credit Union (Penna. Power & Light), Williamsport; Tioga Catholic Federal Credit Union, Philadelphia.

Another feature of the holidays was the convention of the Pennsylvania State Education Association, held in Harrisburg, on December 28. A symposium on Credit Unions was given a full hour on this program, and was participated in by the Managing Director. The program was featured by the contributions of Mr. Fred C. Burris, Treasurer, Harrisburg Teachers Federal Credit Union, who explained the organization and operation of a teachers credit union under Federal law; Mr. E. D. Clauss, Treasurer, Allentown Teachers Credit Union, who explained the organization and operation of a teachers Credit Union under State law; and a paper prepared by Mr. Edmund Thompson, President of Philadelphia Teachers Credit Union, and read by Mrs. Clara G. Goodman, also of that credit union, in which he answered the question, "Do Teachers Need Credit Unions?" That the subject was well received is borne out by the fact that, within one week after the conference, ten requests had been received in the league office for help in organizing teacher credit unions.

The outlook is for a good year!

\* \* \*

### Who's Who in Pennsylvania

It was due largely to the efforts and leadership of Edwin D. Clauss, a teacher in Allentown High School, that the teachers of Allentown were being served through a credit union long before thousands who now enjoy credit union service had even heard of such a thing. While others were still wondering whether there was anything to this credit union business, and within eight months after the passage of the first credit union law in the State, the Allentown Teachers Credit Union was organized. Mr. Clauss was elected treasurer, in which capacity he has served continuously ever since. Let him tell you in his own words how he became interested in the formation of a credit union:

"I can give the loan companies credit for arousing my interest in credit unions. Their continual letter writing to teachers, from many cities in the eastern part of the United States, focused my attention on the fact that the teaching pro-

fession offered a lucrative field to commercial money lenders.

"From the Executive Secretary of the Pennsylvania State Education Association I obtained the address of Mr. Roy F. Bergengren, and, on the afternoon of February 24, 1934, Mr. Bergengren and Mr. Claude R. Orchard helped us to organize the first credit union in this section. I was chosen treasurer and it has been my privilege to see the Allentown Teachers Credit Union grow from the question, "Do teachers need to borrow?" to a gross business of \$90,000 in these four and one-half years."

But Mr. Clauss' influence did not stop with organization of his own credit union, for to him is due credit for many of the 19 credit unions now flourishing in the Lehigh Valley. His next step was to organize a chapter, which he has headed as president from its start.

When the Pennsylvania Credit Union League was formed in 1936, Mr. Clauss was elected to the board of directors, on which body he continues to serve.

While still a young man, Mr. Clauss is just completing his twentieth year of teaching and it is characteristic of him and of the confidence of his fellow-workers in him that he has served as president of the local branch of the State Education Association for ten years, and that he has recently been elected to the Executive Council of the Pennsylvania State Education Association for a term of two years.

It is of such men that the Pennsylvania Credit Union League is made!

\* \* \*

### What's Back of the Credit Union?

One of the great credit union leaders once said, "Let it never be forgotten that a credit union is an association of men and not of dollars." The wisdom of that statement was never more poignantly demonstrated than in the incident which is described in a letter which we have just received from a credit union treasurer. He writes:

"I want to tell you of the most unusual and worthwhile service our credit union has ever rendered.

"We have in our plant a father and son, both of whom are members of the credit union. A few days ago the son made application for a loan to defray hospital expenses of his boy, who had been injured by an automobile while playing.

"Inasmuch as the loan was for a larger amount than could be allowed on the applicant's signature, a co-maker was requested. Knowing that the applicant's father was a member, I suggested that he be asked to endorse the note. In spite of objection on the part of the son, the father was called into the credit union office, and it was learned that father and son had been estranged for some time.

"And now, a common need, as well as



a common sorrow had brought them together. I need not go into the details, but father and son forgot their differences, shook hands, the loan was granted, and the boy is well on the road to recovery."

Surely this credit union is an association of men.

\* \* \*

### Let's Get the Facts

The following is quoted from a letter from a credit union treasurer:

"I have been advised by a credit union officer from an adjoining city that he has come in contact with cases of irregularities in the auto insurance policies of credit union members whose cars have been financed through an auto finance company. This was discovered when the credit union of which he is an officer took over the financing of cars from these finance companies and paid off the unpaid balances.

"In one case a member purchased a car through an auto finance company on an 18 months payment plan. After payments had been made for 6 months, the credit union granted the member the loan of sufficient money to pay off the remaining indebtedness in a lump sum. Of course the credit union sought the transfer of the loss payable clause from the Finance Company to the credit union, but did not succeed in getting this transfer made.

"For its protection, the credit union scrutinized the insurance policy issued the Finance Company and found a clause therein which stated that the insurance coverage ceased when the finance company was paid in full. The owner of the car was under the impression that he had paid for 18 months insurance.

"The Finance Company told him at the time his obligation was paid off that he could get a rebate of a few dollars. This seems very low, if insurance in the case was calculated on a short rate basis. He should have received almost a  $\frac{2}{3}$  rebate.

"An article in the January issue of the American Magazine gives an eye opening account of fraudulent practices in the auto financing insurance of Finance Companies. I have a few cases which I fear may fall in the same category and I intend to investigate them in the interests of our credit unions who are financing these cars. Before bringing this matter to the attention of our credit union membership, I would like to know if you are familiar with this practice on the part of auto finance companies and if so, what companies you might know of which are guilty of it. We would like to be sure that auto insurance issued through an auto finance company will protect our collateral when we take over the financing of the car."

We publish this letter in the hope that anyone who reads it, who has information on this subject, will write the League

office about it. We would like to know the facts. You may help to protect some credit union member, who is relying on a worthless insurance policy to protect him in case of accident.

\* \* \*

### Judgment Notes

Approval has just been obtained from the Legal Division of the Farm Credit Administration for the use of a specific judgment note, for use in Pennsylvania. This note will be stocked by C.U.N.A., and available to all credit unions wishing to make use of it.



WISCONSIN

By AL. F. SHEELEY

### EDITORIAL

THE COMING of a new year brings us again to inventory time, a time when all businesses, industries, and people take stock of their assets and liabilities.

The credit union movement in Wisconsin has grown from two in 1923 to nearly 550 at the end of 1938. This growth puts Wisconsin among the leading states in the number of organized credit unions. The Wisconsin Credit Union League has grown since its organization on October 6, 1934, until now it has a membership of 294 credit unions which represents an individual membership of around sixty thousand. This is a growth of 48 credit unions for the year 1938.

The credit union movement although started in 1923 received its real growth during the so-called "depression." The credit unions have come through these trying years with flying colors and have taken their rightful place in our economic structure and can stand with the best of financial institutions in their record of honest and efficient management. In principle and purpose they stand head and shoulders above the other organizations.

The Wisconsin Credit Union League likes to feel that some of this growth and stability has been the result of the efforts expended by the League as well as the result of good judgment on the part of those whose job it is to operate or supervise the credit unions of the state. Those people who are shareholders in the various credit unions in Wisconsin are to be congratulated on their choice of people whom they have made responsible for the operation of their credit unions.

Wisconsin is looked to as the credit union capital of the country since we have the National Association at Madison and are looking forward to its permanent location there when the Filene Memorial is built in 1940. We are among the leading states in numbers of credit unions organized, we have a liberal law, a fine new department in the Banking Commission whose sole job it is to su-

pervise and examine credit unions, and above all an exceptionally good credit union personnel. Let us keep Wisconsin ahead in the years to come.

The League has been brought to this point by the unselfish efforts of your officers and directors, both past and present, who have given freely of their spare time that your League might grow and become a real factor in the credit union movement in Wisconsin. A few months ago the officers and directors felt that the point had been reached where a full-time Managing Director was needed. In order that the League might be in a position to give better service to its members, I was engaged for that position, and I would like to take this opportunity to assure all of you that it will be my purpose to do everything in my power to make your League the most outstanding of all state leagues and to cooperate with all credit unions. To reach this goal it is necessary that all credit unions cooperate with the League, and I respectfully ask that cooperation.

We might take for our motto: "United we stand, divided we fall" knowing, that, while we may not fall, we certainly cannot maintain or better our present position if we are divided. Let us all work for a bigger and better Wisconsin Credit Union League in 1939 and in the years to come!

JOHN A. COLBY,  
Managing Director.

\* \* \*

### President's Corner

THE YEAR 1939 brings to the credit unions of Wisconsin one very definite improvement, and that is a CREDIT UNION DIVISION in the State Banking Department.

The credit unions should know of the services that this Division can and will eventually render, and should also know why these services are not to be expected for some time to come. For the time being, until the department can be organized completely, we must be patient.

At the present time there are but four people in its personnel: Emmett Hampton—acting supervisor, two office assistants, and one examiner—Ross Richardson.

An examination for credit union examiners is to be held some time in January, and should result in the selection of possibly three new examiners. This will complete the personnel of the Division; a total of seven persons.

After these new examiners are selected they will have to go through a training period under the direct supervision of Mr. Hampton. This again will take time.

Therefore, knowing of these conditions the credit unions must be patient when they find no examination made for some time. Eventually it is planned that there will be at least one examination a year, and in some cases oftener than that.

These credit union examiners will be trained for credit union work only, and will understand that the credit unions are their employers, and, as a result, will naturally be as efficient and helpful as possible.

The cost of the Credit Union Division is practically supported in full by examination fees which the credit unions pay each year. We should be proud of the fact that we are self-supporting. We can continue to be self-supporting if each and every one of us will cooperate by returning our reports promptly, and helping the examiners by keeping our records neat and correct.

Again I ask you to cooperate to the best of your ability, and I am sure we will be able to build up a wonderful organization here in Wisconsin.

N. T. BRUCE, President.

\* \* \*

### Wisconsin Credit Union League

#### Honor Roll

(Continued)

- 251. Yellow Cab Credit Union.....Milwaukee
- 252. Columbia Clothiers Credit Union.....Milwaukee
- 253. Co-op Credit Union...Ladysmith
- 254. Richardson Bros. Credit Union.....Sheboygan Falls
- 255. Hills Credit Union.....Milwaukee
- 256. Gridley North Division Cr. Un.....Milwaukee
- 257. Master Barbers Credit Union.....Milwaukee
- 258. Hummel & Downing Credit Union.....Milwaukee
- 259. Northwestern Engraving Cr. Un.....Menasha
- 260. Brantwood Credit Union.....Brantwood
- 261. W. P. & L. Credit Union...Beloit
- 262. Globe Steel Tube Credit Union.....Milwaukee
- 263. Fred A. Mayer Credit Union...Milwaukee
- 264. Shaler Credit Union.....Waupun
- 265. Riverside Credit Union...Appleton
- 266. Telephone Credit Union...Superior
- 267. Berwind Credit Union...Superior
- 268. F. P. L. Credit Union...Madison
- 269. Banta Credit Union...Menasha
- 270. La Crosse Teachers Credit Union.....La Crosse
- 271. Creamery Package Credit Union.....Lake Mills
- 272. Center Valley Credit Union...Black Creek
- 273. Butchers Local Credit Union...Milwaukee
- 274. Kenosha Postal Credit Union...Kenosha
- 275. United Shoe Rebuilders Cr. Un.....Milwaukee

(To be continued)

\* \* \*

### Local Credit Union Publicity

Ed Pfeiffer, President of the Racine Chapter and also director of the State

League, has his own ideas on advertising credit unions in Racine County. Ed has arranged to write an article for the local paper each week.

The first article appeared recently, and in this article Ed gave an historical review of the credit union origin. It is his intention to follow up with other articles showing concrete examples of how a credit union is operated.

Ed should be commended on his very fine work in advertising credit unions in Racine.

The Publicity Committee recommends that all chapter presidents take advantage of every opportunity to obtain favorable publicity for credit unions in their locality.

\* \* \*

### New Credit Unions Organized

DURING the past month seven new credit unions were organized in various parts of the state as follows:

FILMCO CREDIT UNION

Milwaukee

DURAND CREDIT UNION

Durand

BARRON CREDIT UNION

Barron

OUR CO-OP CREDIT UNION

Shell Lake

BLOOMER COMMUNITY CREDIT UNION

Bloomer

MENOMONIE FARMERS CREDIT UNION

Menomonie

BARBERS UNION LOCAL No. 50 CREDIT UNION

Milwaukee

We wish to take this opportunity to inform these new credit unions that we will be glad to help them with any difficulty they may experience.

\* \* \*

### Open Letter to John Roop

Dear John:

Evidently, John, the holidays and their attendant celebration kept you from seeing to it that your check for your 1939 dues was mailed to the State League office.

Ordinarily, in years past, your credit union has been the first to pay its dues for the ensuing year. This year, however, an up-and-coming credit union has beat you to the punch.

On January 3 we received a check from John Q. Hansen, Treasurer of the Tuttle Credit Union at Appleton, Wisconsin, in payment of their 1939 dues.

However, John, don't be too downhearted because there are many more years to come and we expect you will be back in the running in 1940.

With best regards,

THE EDITOR,

W.C.U.L. News.

Editor's Note: We had a very pleasant surprise today (1/14/39) in the form of a letter from Mr. John Roop in

which was enclosed a check for the 1939 dues of the La Crosse Municipal Credit Union.

\* \* \*

### 'Round the Office

Another month, another column of news from the office!!

John Colby, the Managing Director, has spent the past month attending Chapter meetings at La Crosse and Wausau, and visiting credit unions at Beaver Dam, Stevens Point, La Crosse, Wausau, Baraboo, Wisconsin Rapids, Waupun, Ripon, Madison, and has spent the remainder of the month in Milwaukee, contacting local credit unions.

The officers of the League have held several meetings and are busy with plans for a bigger and better convention in Milwaukee in May.

Credit union people are always welcome at the League office; and a few visitors were ROSS RICHARDSON, Credit Union Examiner from the Banking Department, E. ZEECH, K. KEMP, and H. FERCH of Truck Drivers Credit Union; ROSE NITZ, Treasurer of Schuster's Twelfth St. Credit Union; TOM BARTZ of Schusters Third St. Credit Union; JOHN BURESH of Co-op Credit Union, Racine; EVAN PFANMILLER of Racine Teachers Credit Union, Racine; AUGUST SPRINGOB of the St. Francis Parish Credit Union, PAUL HABEGGER of St. Catherine's Parish Credit Union; and PAUL JONES of Sure-Stick Credit Union.



MICHIGAN

By KARL GUENTHER

### The Economics of League Membership

THE first part of the article on the above subject was published in the last issue of THE BRIDGE. Following is the concluding portion of this article.

### Borrowers Protection Insurance

Turning from the promotion and the protection of the Credit Union movement, consider some of the collateral benefits that come from organization. Borrowers protection insurance used to cost as high as \$2.00 per hundred. Prior to the organization of the Cuna Mutual Society the lowest reported rate was about \$1.00 per hundred. The present rate is approximately 50c per hundred, with only half of the premiums collected used to pay claims. A consequent further reduction is perhaps in sight. In Michigan alone the Credit Union borrowers are probably being saved from one thousand to two thousand dollars per year in insurance premiums. This gross saving will probably increase from twenty-five per cent to one hundred per cent each year for many years to come.

## Treasurer's Bonds

Treasurer's bonds generally used to cost from eight to ten dollars per thousand. The cost now is three to four dollars per thousand. It may be estimated roughly that the reduction in bond costs alone is saving Michigan Credit Unions approximately \$2,000.00 this year. In addition to these savings an additional \$101.85 accrued to the League in 1938 for its participation in the present plan of securing coverage through a master bond.

## Supplies

Credit Union supplies, we know, are in general being sold very cheap. It is reasonable to believe that our list price is ten per cent below what would be the average without a concentrated production and a unified distribution which at present is mediated through the League together with the other State Leagues. The supply business at present averages only \$1,800.00 per year. Ten per cent of that would be \$180.00 as an estimated saving over what probably would be the current price. Add to this another twenty per cent which represents the discount uniformly given to the members, and it represents a saving of \$540.00 yearly.

In addition to this the League secured in 1938 a \$75.00 patronage refund on our business with the National Association. These savings and rebates will probably increase from ten to twenty per cent each year.

The tangible cash savings are to many Credit Union Treasurers not nearly as important as the fact that all Credit Unions in Michigan can within a day or two replenish their often neglected stock of supplies. The files of the League contain many appreciative letters from Treasurers who rejoiced that the Supply Department of the League was able so promptly to fill their order, and thus prevent the "holding up of production."

## Information

Many a Credit Union Treasurer and Board of Directors has been thankful to have available a central clearing house for information on Credit Union problems and practice. It is a rare month which goes by without having from one to ten inquiries received by the League in regard to some aspect of Credit Union operation.

## Chapters

The foregoing inquiries would be vastly more numerous had the League not organized Credit Union Chapters throughout the State which act as educational Forums, giving information to new Credit Unions and hints for improved practice and information about new developments to old Credit Unions.

## Central Bank

It is in the League Credit Union, however, that we can find the most convin-

*There are two kinds of success. One is of the very rare kind that comes to the man who has the power to do what no one else has the power to do. That is genius. Only a very limited amount of the success of life comes to persons possessing genius. The average man who wins what we call a great success is not a genius. He is a man who has merely ordinary qualities, but who has developed them to a more than ordinary degree.*

—THEODORE ROOSEVELT.

ing and tangible evidence of the value of persistence in maintaining a well organized movement. Recall that the League was twice refused a charter for a Central Credit Union. Only through the fact that we had a League able to persist over a period of months and years did we finally get it.

## Loans to Officials

The League Credit Union has loaned to date approximately \$56,000.00 to Directors and Committee Members of Credit Unions. If it saved them on the average only six per cent, we have saved these worthy individuals, in rough figures, \$3,360.00 in a period of a year and a half. If this sum increased only 20% each year, it would ten years from now save Credit Union officers over \$15,000.00, and a total for the period of over \$75,000.00.

## Loans to Credit Unions

The League Credit Union has loaned \$20,000.00 to Credit Unions. While it is true that some of these Credit Unions could have borrowed elsewhere, it is also true that a lot of them could not have done so, or would not have done so. In a year's time, consequently, those Credit Unions, if they loaned out this \$20,000.00 at twelve per cent per year, have made themselves an additional \$1,200.00. Assuming the same rate of growth for loans to Credit Unions, the Central Credit Union will make possible additional income ten years from now in the amount of \$6,000, and a total for the period of \$30,000.00.

## Cash Returns to Credit Unions

To turn to the other side of the picture, the League Credit Union will in this year, 1938, probably pay out in interest and dividends to Credit Unions that have provided its capital between \$2,500.00 and \$3,000. If the League Credit Union returns \$2,500.00 to our member Credit Unions this year, it will three years from now, or five years from now, return how much? No one knows, but it may be estimated that it will return double or triple that amount. It may be predicted that in the absence of unforeseen circumstances the Central Credit Union alone will within a meas-

urable length of time return more cash to the Credit Unions which provide its capital than they pay in dues for the support of the varied work of the League.

## Fact and Fancy

The foregoing account consciously mingles fact with fancy. The facts are incontrovertible. The fancy may become fact provided that the Credit Union people of Michigan, and particularly the responsible Boards of Directors give serious thought to the importance and significance of the movement which is in their charge. The fancy will probably not be realized unless all the Credit Unions in the State do their part toward the support, improvement and extension of the work of the League.

Fancy will not become fact unless our present interest savings are preserved and increased, unless legislation and administration is not unfriendly, unless Credit Union people utilize the benefit of borrowers protection insurance, the savings on Treasurer's bonds and supplies, unless they utilize the information on Credit Union practice which is theirs for the asking, and finally they will not be realized unless all cooperate in building up a strong Central Credit Union.

Such are the economics of League membership.

With these and other things in mind in its own State, a California Credit Union recently wrote:

**"THE FIRST STEP OF THE ENEMIES OF CREDIT UNIONS IN CRUSHING THEM WOULD BE TO BREAK UP OUR CENTRAL ORGANIZATIONS. AFTER THAT, IT WOULD BE EASY TO BREAK UP THE MOVEMENT. FOR ONE, WE INTEND TO PREVENT SUCH A THING HAPPENING."**

\* \* \*

## Banking Department Scored by Chapter; League Officials Counsel Deliberations

On November 25, 1938, the Grand Rapids Chapter of the Michigan Credit Union League adopted a resolution calling upon the League to intervene with the Governor-Elect to appoint a Banking Commissioner of liberal tendencies and to explain "that the Credit Union movement has been seriously retarded in this State during recent months because of the attitude of the present Commissioner of Banking and his executive aides." The resolution also called upon the League to submit legislation "to liberalize the present Credit Union Act and to provide for more aggressive action by the State toward the organization of such additional Credit Unions in Michigan as may be necessary for the economic welfare of the multitude of workers in this State."

The three officials of the League specifically addressed in the resolution re-

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plied in part as follows:

December 7, 1938.

Mr. Frank Thornton, President,  
Grand Rapids Chapter,  
Michigan Credit Union League,  
Grand Rapids, Michigan.

Dear Mr. Thornton:

1. It is more important, and probably will be more important during the next year or two, for the League to retain and consolidate its present gains than to make phenomenal new gains.

2. The number of Credit Unions in Michigan has increased 400% in four years. The number of League affiliates has increased 500%. There are still thirty-six Credit Unions in Michigan that are not League members, including two Credit Unions in Grand Rapids, . . . From every point of view, including the financial one, the task of first importance for the League is probably to bring into membership these existing non-affiliated Credit Unions. This should be easier now that the League dues rate has been reduced 40%.

3. Perhaps the second, if not the most, important task of the League is to build up our Central Credit Union. Interest in and appreciation of the importance of Central Credit Unions is rapidly rising throughout the Nation. Michigan has one of the eight Central Credit Unions to which Credit Unions as such may belong. From every point of view, including the financial one, it is more important for the League to build up the League Credit Union than it is to spend at the present time the equivalent amount of money and energy on organizing new Credit Unions. This is not to say, however, that we should not have a steady increase in the number of Credit Unions.

4. It is probably more important that the existing Credit Unions, not all of which are operating as efficiently and successfully as they should, should be encouraged to so operate rather than that the League should give an undue proportion of its time to the organization of new Credit Unions at the expense of having existing faulty ones in a position to be used as a weapon to discredit Credit Unions in general.

5. It is also valuable to bear in mind that while the growing and varied routine work of the League is not conspicuous, it is highly important that it should continue to go on smoothly. Information, advice, correspondence, conferences, contact work, the supply business, etc., etc., are among the points which should be recalled in this connection.

6. While it is perhaps true that the Banking Department has refused in several cases to grant charters that perhaps should have been granted, no final determination of this point has been made, inasmuch as we are:

(a) Asking the Transport Workers in Grand Rapids to re-submit their application.

(b) Encouraging and expect to succeed in having the B.-P. Employees re-submit their application.

(c) Interesting ourselves in the proposed petition for a charter for the Gas Company Employees' Credit Union in Detroit.

(d) Expecting that the pending application for a charter for the Grand Rapids Telephone Employees will be granted.

Until these and other cases have been definitely decided, we consider that it would be premature for an organization like the League to formally go on record as condemning the Banking Department. If an organization which expects to be a permanent part of the life of the State is to command respect, it must proceed with deliberation or alacrity, as the occasion demands, and with due regard for proper procedure, and in full possession of all the relevant facts.

7. With regard to going into the Legislature, we feel for a number of general reasons that that would be unwise at the present time. In spite of some annoyances, we feel that the League is making excellent progress, and that it would be a mistake in policy to jeopardize our present status.

In particular we feel that it would be both unwise and impracticable to ask the State Government to spend money on the promotion of Credit Unions in Michigan. It would be unwise for the reasons indicated by Mr. Beals of the National Association at the time of our last Board meeting when this matter was discussed. The interests of Credit Unions will be best served if they look to their own organization rather than to any Department of Government for the protection of their interests.

The fact that administrative policies of Government change from year to year has been illustrated in the administration of the Credit Union Law both in the State of Michigan and in the National Government. We feel that it would be impracticable to ask the Legislature for an appropriation for the simple reason that Legislatures should, properly, be reluctant, except for very compelling reasons, to vote additional appropriations, with consequent increased taxation.

8. We are in agreement that certain changes in the Credit Union Law are perhaps desirable. Some of these changes are minor. Some of them are major. The major ones, in our opinion, should not be attempted until we have acquired additional experience and information. During 1937 we had a satisfactory administration of the State Credit Union Law. During 1938 some points have arisen which we do not regard with satisfaction but upon which we neverthe-

less feel it is still premature to express a considered judgment.

. . . It seems to us that either the Governor or the Legislature should properly be approached only after it has been demonstrated that it is impossible for us to receive legitimate satisfaction from the banking Department itself.

While we feel that the observations made herein are cogent, we recognize that they represent only our views. We will welcome another presentation of the matter at the next meeting of the Board and will, of course, abide by any decision of the Board on matters of policy in connection with the points raised.

Cordially yours,

W. O. Stewart

(President)

J. C. Howell

(National Director)

Karl W. Guenther

(Managing Director)



ILLINOIS

By FRANK C. DEAN

### Southern Group Aids New Credit Unions

THE December meeting of the Southern Illinois Chapter of credit unions was called to order at 8 p. m. Friday, December 16 at Armour & Company, General Office, National Stock Yards. About forty persons attended the meeting, which proved to be one of the most interesting meetings ever held by the chapter.

A report of the chapter credit union was read, which showed that this credit union has become a fast growing organization.

As per our agreement with newly organized credit unions \$65 was paid out to six new credit unions in the chapter to help them pay part of their first year expenses.

The banquet committee reported that the third annual meeting and banquet of the chapter would be held Saturday, February 11, at the Broadview Hotel in East St. Louis. Tom Doig has been secured as speaker of the evening and Dr. C. W. Gowans was again selected as toastmaster.

The chapter voted to support M. F. Gregory again as a candidate for director of the Illinois Credit Union League.

After disposing of routine business an interesting discussion on the procedure of the annual meeting of the shareholders was held. Copies of a suggested procedure and sample notices and proxies for the annual meeting were passed out to all present. Each item of business necessary to properly hold the annual meeting was thoroughly explained by the

chairman and discussed at length by those present.

The meeting adjourned at 9:45 p. m. and was followed by a meeting of the chapter credit union.

\* \* \*

#### **Hammond Co. Host to Chicago Southwesterners**

The G. H. Hammond Company was host to the Chicago Southwest Chapter on December 15.

Although no special subject had been designated, a most interesting discussion developed on supervisory matters. Mr. John Kelly graciously accepted the invitation to give a ten minute talk. His subject concerned shareholders and the percentage of them that contribute the larger percentage of funds. He felt that credit union members should be encouraged to save systematically as well as to make loans. He also spoke briefly on the matter of the Filene Memorial and what it meant to him personally. We always welcome Mr. Kelly as he never fails to make a worthwhile contribution to the discussion and success of the meeting.

The order of business of the meeting was pleasantly interspersed with musical and vocal selections as well as a tap dance number rendered by employees of the G. H. Hammond Company.

Refreshments in the form of G. H. Hammond Company products were gratefully consumed.

\* \* \*

#### **West Suburban Chapter Meets at Hot Point Plant**

President Morley called the West Suburban Chapter to order on Tuesday evening, January 3rd, at the Hotpoint plant where the chapter was the guest of the Edison Electric Employees Credit Union. The program was announced by the chair to provide a discussion about and in regard to other types of employee cooperation. Mr. Morley first introduced Arthur L. Smith, economics instructor of the Morton Junior College and member of the Morton Teachers Credit Union. Mr. Smith discussed the employee mutual insurance that has been in force at Morton for the past ten years and particularly the new contract which the teachers have put in force during the past year. He told how the contract had been drawn up in cooperation with Mr. Palmer of the State Insurance Department so that it would serve the purposes which were desired by the teachers and yet not be in conflict with insurance laws of the state.

\* \* \*

#### **Study Closing of Credit Union Books**

The regular monthly meeting of the Chicago Northwest Chapter was held on December 16 at the Chicago Motor Coach Garage, 4711 Ravenswood Ave.

The attendance is growing at each

meeting and hope other credit unions will send one or more representatives to the future meetings. We are trying to make these very interesting and educational.

The BRIDGE magazine was discussed and everyone was urged to get others to subscribe too, so that we may keep this official credit union magazine.

Ernest Ludwig announced that the Chicago Catholic Workers Credit Union voted to send in their donation of twenty-five dollars towards the Filene Memorial Building fund. He also urged others to do their bit towards this wonderful movement.

The main subject of the evening was the "Closing of Books." Mr. Ludwig started the discussion by stressing on dividends, treasurer's salary and credit union service by adopting the Cuna Mutual Society's "AA" plan and life savings plan.

Harry Burmeister, a director of the Illinois Credit Union League, was introduced and he gave the group present a brief outline of how the credit union books should be closed at the end of the year. His talk was very interesting and questions were asked and answered by him.

\* \* \*

#### **Central Chapter Has Fine Turkey Dinner**

A brightly lighted Christmas tree and a turkey dinner with all the trimmings featured the monthly meeting of Central Illinois Chapter of Credit Unions, Dec. 21 in the Railroad Y. M. C. A.

E. F. Arnold of the Wabash credit union, a director of Illinois Credit Union League, was in charge of the arrangements and his efforts resulted in one of the most sparkling and spontaneous meetings of the entire year. Radio performers from the local radio station presented a program of songs. Before they left they had succeeded in uniting the voices of all present in the beautiful "Silent Night."

Impromptu discussions developed with rapidity and brilliance and offered many avenues of thought to credit union members who had come with problems.

"Not for profit, but for service" is the slogan of credit unions. Robert O. Behrend, secretary-treasurer of the chapter, reminded members in his address on "Dividends," one of the highlights of the evening's program. His remarks will be published in an early issue of the News.

\* \* \*

#### **Offers Heaven High and Coast to Coast Financial Service**

Unique among credit unions, in that its membership is recruited in 57 cities stretching from Boston, Mass. to Glendale, California, is the American Airlines' Credit Union, which has its headquarters at 4848 West 53rd street, Chicago.

Catering to more than 1100 of the



**Announcing  
A  
Dividend  
of 8%  
on net  
Service  
Charges  
Paid  
in 1938**

***Not for Profit  
Not for Charity  
But for Service***

**CUNA MUTUAL  
SOCIETY  
MADISON, WISCONSIN**

1900 employees of American Airlines, Inc., this credit union is only two and a half years old, having been started in July, 1936, with only the original board of directors (eleven men) as its membership and with a cash reserve of approximately \$600.

Yet today, besides its 100 membership, the union shows assets totalling \$66,546.22.

Among the membership are pilots, stewardesses, office workers, mechanics, maintenance men, salesmen, engineers and executives.

The credit committee meets twice a week at Chicago to handle requests for loans and to take care of other business. Because of the wide distances separating the majority of the membership from the central office of the credit union, each station of American Airlines has a credit union representative who handles requests for loans and forwards these requests, in turn, to the credit committee for consideration. Savings are made by payroll deduction.

The directors of this credit union and the departments they work in for American Airlines, are:

M. D. Ator, pilot, president; J. D. Hungerford, sales, vice president; J. W. Snakard, treasury, treasurer; G. K. Griffin, operations, secretary; George Kelly, mechanic; Roland Preiss, sheet metal department; Ernie Glaeser, mechanic; Bob Curry, meteorology and Victor Vernon, personnel director.

\* \* \*

### Food for Thought By Ralph G. Long

1939, The New Year. We are entering upon another milestone on the credit union highway of service. When we consider the size of this great country of ours we find this important highway of credit unions passes too few homes. We ought not forget that this road is still two lanes: ("teach thrift"—"eliminate usury") and that there are thousands of villages, towns and cities, containing millions of homes yet to be served before we start building a four lane highway. Some folks want to immediately construct one with six lanes. Go slow!

We are all agreed the job ahead is enormous. Before we begin erecting a superhighway comprised of cloverleaves, great overhangs and other elaborate offshoots of such a system, is it not common sense to first make the two lane work?

By this I mean, (1) organize five credit unions where one now exists, (2) keep them simple, (3) aim for service above all, (4) sound and human approach is essential; act to do, never how not to do.

When all is said and done, does not the growth and success of this movement depend wholly, and rightly so, on the thousands of credit union directors

THE BRIDGE—February, 1939

## FOR ALL CREDIT UNIONS

### ACME "TIME SAVER" VISIBLE RECORD SYSTEM

**Quick action on every application!**

**Delinquent accounts stand out like a sore thumb!**

**Saves 50% of posting and reference time!**



Acme "Time-Saver" at Headquarters of Illinois Credit Union League. Mabel Hryha, Treasurer of ICUL Credit Union is posting her records in half the time formerly required, while Albert Belanger, Asst. Treasurer, looks on.

Acme "Time-Saver" Visible Record System is a "life saver," too. Speeds up service on applications and payments so you can handle them fast during rush hours . . . eliminates that long waiting line.

Positive control of loans. Condition of each account recognized instantly.

Cuts record-keeping time in half. Only one record for all information.

Progressive Credit Unions, both large and small, are speeding up and modernizing their work with Acme "Time-Saver" Visible Records.

Write for sample record cards and "Time-Saver" Bulletin.

## ACME CARD SYSTEM CO.

WORLD'S LARGEST EXCLUSIVE MANUFACTURER OF VISIBLE RECORD EQUIPMENT

8 S. MICHIGAN AVENUE

CHICAGO, U. S. A.

throughout the land? We hope that never will there be projected an instrument that in any manner stifles this great loyal enthusiastic powerhouse of energy. Its value for good is priceless!

Make 1939 the Banner Year for co-operation, cohesiveness and unity of purpose. Combined, these will bring a larger measure of service to our countrymen. Service is all that matters.

\* \* \*

### Charter No. 3000 Goes to Parish FCU

ANOTHER landmark of progress has been passed. Early in December the Farm Credit Administration issued Fed-

eral Charter No. 3000 to the St. Boniface Parish Oak Harbor Federal Credit Union, of Oak Harbor, Ohio.

Going thus to a church group the distinction of receiving the 3,000th Federal charter will serve to call attention again to the continuing interest of religious communities in credit unions. Not long since eight religious-group Federal credit unions were started in a single month. In October a Federal credit union charter was taken out by the employees of the National Catholic Welfare Conference, in Washington, D. C., headquarters for a Parish Credit Union National Committee.—*Cooperative Saving.*



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